



Griffith College

# **Examining the role of customer experience in a multichannel purchase journey: Irish students' perspective of smartphone purchase**

Research dissertation presented in partial fulfilment of the requirements for the degree of **MSc in International Business Management** at Griffith College Dublin

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**22nd May2020**

## Candidate Declaration

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I certify that the dissertation entitled: *Examining the role of customer experience in a multichannel purchase journey: Irish students' perspective of smartphone purchase* submitted for the degree of **MSc in International Business Management** is the result of my own work and that where reference is made to the work of others, due acknowledgment is given.

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Supervisor signature:

Date:

## Dedication

I would like to dedicate this dissertation to everyone who have supported, motivated, and encouraged my post graduate academic journey. First and foremost, I would like to thank my family for their faith in me and helping me pursue my academic path.

To my lecturer Mr. Justin Keogan, who provided great clarity during the dissertation proposal phase, helping me understand the basics concepts and methodology that underly the research process.

To my supervisor Mr. Josh Moran, for his continued support and advice during the research stage, which proved to be of immense value in the completion of this dissertation.

Finally, I dedicate this dissertation to my dear friends and classmates Artur, Hansoo, Maria, Ana, Jose, Collins, Maryam, Sophrialala, Naomi, Stanley, Leo and Sai who were of great inspiration to me.

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Finally, to my family and friends for their love and support during my study, for which I am forever grateful.

# ***Examining the role of customer experience in a multichannel purchase journey: Irish students' perspective of smartphone purchase***

*Praveen Rajendran*

## **Abstract**

Marketing practices and researchers have adopted a holistic view of the customer purchase journey that advocates customer experience as a much broader aspect than service quality or satisfaction. However, as service providers offer their service through both offline (physical store) and online (web-based) channels, the customer journey has become complex, and there is a lack of understanding about customer experience in a multichannel purchase environment and its effect on channel preferences. Therefore, this dissertation examines the role of customer experience in a multichannel purchase environment by measuring the customers' perception of the purchase journey. Specifically, this study focuses on the moment of purchase and post-purchase stage of the smartphone purchase journey in the Irish market to determine the following (1) Whether customer experience differs between online and offline channels (2) How customer experience is affected by perceived service quality and customer satisfaction (3) Effects of customer experience on channel loyalty. Quantitative data collected through an online survey from 147 postgraduate students who have purchased a smartphone in Ireland was used to perform statistical analysis and determine the role of customer experience. The findings of this research imply that customer experience is affected due to perceived service quality and overall customer satisfaction and that the customer experience affects future channel loyalty. Furthermore, it was found that, although customer experience does not differ between different channels, the channel loyalty was higher among offline channel customers, thereby indicating that customer experience is not the only determinant of channel loyalty.

Although reliable findings were obtained from this study, its applications are limited to the specific context of this research. Therefore, future researchers can attempt to generalise these findings to a larger sample that represents a wider population of students or in a different smartphone market. Researchers can also examine other determinants of channel loyalty since it remains unclear why channel loyalty is higher among offline channel customers.

**Keywords:** Customer experience, multichannel consumer behaviour, purchase behaviour, smartphone purchase.

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## List of Abbreviations

CE	Customer Experience
CEM	Customer Experience Management
CS	Customer Satisfaction
EXQ	Experience Quality scale
OCS	Overall Customer Satisfaction
PSQ	Perceived Service Quality
PSQPUR	Perceived Service Quality during purchase stage
PSQPOST	Perceived Service Quality during post purchase stage

# **1 Introduction**

## **1.1 Structure of the Study**

This dissertation is divided into five distinct sections. The first section is the introduction in which covers the background of the research and explains the purpose and significance of the study, followed by the objectives that guide the collection, analysis and interpretation of the primary data collected.

The second section is the literature review in which the existing academic and marketing literature pertaining to the focus of this research are critically examined and evaluated. The central focus of the literature review will remain in the area of multichannel consumer purchase behaviour, using which the conceptual framework is developed for this research.

The third section is the research methodology which explains the author's choice of research strategies and design that were used to conduct this research systematically.

The fourth section is the presentation and discussion of the quantitative data analysis conducted using the primary data collected for this research. The fifth section is the concluding section in which the implications of this research, its limitations and recommendations or suggestions for future research.

Finally, the summary of findings and relation to existing literature will be described, and its implications to research and practice, along with the limitations of the findings will be discussed in the concluding section of this dissertation.

## **1.2 Overview**

This study will examine consumer behaviour in the context of purchasing a smartphone. Primarily, this study will focus on explaining how customers perceive their purchase experience, and how it affects the future purchase intentions and behaviour, by specifically analysing the relationship between customer experience (CE) and other perceptions such as service quality and satisfaction with future loyalty. This study is intended to provide substantial

conclusions by critically analysing existing marketing and academic literature in the field of consumer behaviour to develop a conceptual framework that will facilitate the collection of primary data through an online survey and statistically analysing the data to determine the relationships between variables.

Consumer behaviour is an intricate and complex notion that has been the focus of many academic and marketing researchers. Early studies such as Howard and Sheth (1969, cited in Sheth, 1969) developed a buyer behaviour model that focused solely on the moment of transaction. Also, traditional models of consumer behaviour had limitations such as considering the consumer purchase behaviour as a pure information processing activity and viewed customers as rational decision-makers. Therefore, making them critically limited in application. However, It has evolved significantly to a broader perspective which includes various stages of purchase, services, experiences, and ideas. This perspective of consumer behaviour led to the development of consumer behaviour models which considers the experiential aspects of consumer behaviour such as feelings, fantasies and fun (Holbrook and Hirschman, 1982). This perspective of experience can be defined as “ *a multidimensional construct focusing on a customer’s cognitive, emotional, behavioural, sensorial, and social responses to a firm’s offerings during the customer’s entire purchase journey*” (Lemon and Verhoef, 2016, pg.70). Furthermore, the CE is influenced by the interaction between the firms and customers, also known as touchpoints, starting from the pre-purchase stage to the post-purchase stage. The myriad of touchpoints that consumers experience is not always brand owned, it could be even partner-owned or even customer-owned like the customer’s choice of payment method or channel of purchase, which is not under the influence of the firms. Therefore, this study will adopt this view of CE and its effect on the purchase journey.

In the context of smartphone purchase, the consumers go through three distinct phases of purchase. The first stage being the pre-purchase stage that includes consumer information search and all other activities which the customers undertake and the touchpoints that precede the purchase. Then the actual moment of purchase in which the touchpoint is brand owned or partner owned and sometimes third party owned. This touchpoint is the channel through which

the customers make their transaction, which could be either an online channel or offline channel. Finally, the post-purchase stage that includes the customer's behaviour and experience after the purchase of the product. However, customer journey models have generally neglected the post-purchase stage and loyalty effects of the purchase journey (Lemon & Verhoef, 2016). Therefore, the existence or lack thereof of frameworks or models focusing on the later stages of purchase such as the moment of purchase or the post-purchase experiences defines an area of exploration for research. In specific, how CE affects the future loyalty intentions and relationship of CE with other customer perceptions such as perceived service quality (PSQ) and satisfaction during the later stages of purchase journey are relatively unexplored.

Having identified the need to examine and explain the effects of the later stages of the purchase journey, the focus of this study will be on the purchase and post-purchase stages of the journey. Although the pre-purchase journey significantly contributes to CE, the effects of CE on loyalty are significant during the later stages of the journey (Oliver, 1999; El-Manstrly and Harrison, 2013). Therefore, the specific boundary of purchase and post-purchase stages are set in this research. Furthermore, this study will examine the role of CE by collecting data from postgraduate students who have purchased a smartphone in Ireland about their PSQ and satisfaction during both stages to analyse its effect on CE, and how the CE affects future preference in terms of channel loyalty. The findings of this research are expected to contribute to the growing focus of research on CE and help service providers to identify areas of service that require attention by understanding the perceptions of customers.

### **1.3 Research Purpose**

Consumer purchase behaviour has been extensively studied by academic and marketing researchers. Present studies on consumer behaviour call for a holistic view of consumer behaviour and consider the purchasing process as a journey that consists of three phases or stages which are interrelated, rather than viewing purchase an activity that is independent of prior experiences and intentions (Lemon and Verhoef, 2016; Homburg, Jozić and Kuehnl, 2017; Hamilton and Price, 2019). By adopting this view, the author's intended purpose

of this research is to provide a novel contribution to the existing knowledge of academic and market research on consumer purchase behaviour, in the context of smartphone purchase by analysing the customer's perceptions to explain the effect of perceived service quality (PSQ) and customer satisfaction (CS) on customer experience (CE). Furthermore, the relationship between past purchase experience developed during the moment of purchase and post-purchase stage with the future purchase intentions in terms of purchase channel loyalty and if there is any discrepancy between customers who purchase their smartphone through online channel and those who purchase through physical stores.

With the growth of internet and E-commerce, consumer behaviour is becoming increasingly complex (Neslin *et al.*, 2006) where consumers switch between different channel during various stages of their purchase and predicting their channel preference is becoming highly difficult. Therefore, service providers are required to integrate their channels and touchpoints through which customers interact with them and reduce the differentiation between the PSQ of the two channels (Montoya-Weiss, Voss and Grewal, 2003; Kuehnl, Jozic and Homburg, 2019). The consumer's choice of channel is not controllable by the service providers. However, the service encounters (Bitner, Ostrom and Morgan, 2008) when the customers interact with the service providers during the moment of purchase and post-purchase stages can be controlled and there exists previous research that PSQ during these touchpoints affect the CS (Taylor and Baker, 1994) and overall experience (Lemon and Verhoef, 2016) which are the antecedents of customer loyalty (Klaus and Maklan, 2013). Furthermore, this study will also examine the difference in customer's perception of service provided at the moment of purchase and the post-purchase stage as a majority of customer behaviour models focus on the path that leads to the actual purchase and tends to neglect the post-purchase stage of the journey that may have dissatisfying touchpoint (Nawi, Fong and Tatnall, 2014) which could affect the long term loyalty effects on the consumer (Lemon and Verhoef, 2016).

Apart from the implications from literature, the author's personal experience as a smartphone purchaser would indicate that the experience of purchasing a

smartphone differs according to the chosen channel. This aroused the curiosity of the author to undertake this research on smartphone purchase by students and led to review literature in the areas such as consumer behaviour, customer experience, service quality and loyalty. After reviewing literature in related areas, the following questions were framed for this research, and these questions should ensure that the research objectives, topic area of literature, conceptual framework, data collection and analysis remain central to the focus of the research.

*1) How does the purchase channel choice affect the customer's experience?*

*2) How is the customer experience related to other evaluations of customers during their purchase journey?*

*3) How does experience during past purchase affect future channel preference?*

#### **1.4 Significance of the Study**

The importance of this study is that the findings of this research are expected to provide some valuable insights, to the service providers in the Irish smartphone market that may enable them to identify the areas of service that requires improvement in order to provide an enhanced CE and influence the long term behavioural intentions of customers concerning purchase channel loyalty. In academic research, this study shows novelty by examining the exact nature of the effects of widely explored notions of consumer behaviour (PSQ & CS) with the relatively nascent construct of CE (Lemon and Verhoef, 2016). Furthermore, existing literature on multichannel customer behaviour has examined the benefits of multichannel management (Stone, Hobbs and Khaleeli, 2002) and determinants of channel choice (Montoya-Weiss, Voss and Grewal, 2003; Neslin *et al.*, 2006), but there are some unexplored areas, especially in the online context (Darley, Blankson and Luethge, 2010), and there exists a very limited amount of studies that attempt to explain the relationship between customer channel choice and future channel loyalty, moderated by the



customer experience. Although there have been studies that show CE and CS are the antecedents of customer loyalty (Oliver, 1999; El-Manstrly and Harrison, 2013; Klaus and Maklan, 2013) they were focused on either traditional environment or examined customer loyalty towards the firm or brand in general. Therefore, this study will specifically examine the effects of past purchase experience on future channel loyalty.

A vast majority of the Irish consumers own a smartphone and studies suggest that the purchase cycle for smartphones is getting longer due to the affordability and insignificant difference between newer generations of smartphones. Similarly, the consumers in Ireland show a preference for long term contracts as the payment option rather than a single transaction (James, 2019). These findings indicate that the service encounters of consumers with the service providers may be higher during the post-purchase stage. Therefore, signifying the need to ensure that the consumers do not perceive a contrasting difference in the service quality provided at the post-purchase stage, as the negative experiences during this stage may affect the consumer's future intentions more than prior experiences (Nawi, Fong and Tatnall, 2014).

Another key analysis of the smartphone market in Ireland states that smartphone providers should cultivate loyalty among young consumers as they are likely to make more purchases in the future (James, 2019). Therefore, further implying the need to examine the long-term loyalty effects on consumers during their purchase journey in the Irish market. Furthermore, a majority of the service providers have both online and offline channels for information search, purchase, and service. However, it is not the case for some providers who offer their service through a single channel such as Google store (2020) and Oneplus (2020). Therefore, in such circumstances, if a customer's loyalty or preference towards a particular purchase channel is affected due to poor CE, then the service provider may lose the loyalty of those customers.

## **1.5 Research Objective**

The primary objective of this research is to obtain data that captures the consumer's smartphone purchase journey, representing the customer's choice of purchase channel provided by the service providers, and their perceptions about the purchase experience. This research aims to arrive at a meaningful conclusion that contributes to both academic and market knowledge, by examining the customer's evaluation of PSQ, CS, CE and future purchasing preference and through analysis of quantitative data, in conjunction with insights from academic and marketing literature.

### ***1.3.1 First objective -To determine if there is a difference in customer experience between online and offline customers***

The author intends to analyse, in the context of smartphone purchase, how the consumer's choice of purchase channel affects their experience with the service provider. In specific, the author shall explain how CE is affected by the channel choice and the extent to which the CE differs between the two groups.

CE with a particular service provider is formed throughout the customer's purchase journey that includes all the service encounters or interactions with the firm or service provider (Kuehnl, Jozic and Homburg, 2019) and the customer evaluation of channels with a multichannel service provider depends on channel risk perceptions (Montoya-Weiss, Voss and Grewal, 2003) and prior experience of using that channel (Neslin *et al.*, 2006). Therefore, the author has analysed the significance of channel choice and degree to which it influences the purchase journey, by determining the differences in CE between the two groups of customers.

### ***1.3.2 Second objective - To determine if the customer experience is affected due to perceived service quality and overall customer satisfaction***

In general, literature and corresponding marketing practices imply the need to adopt a holistic view of the consumer purchase journey to consider the effects of individual factors affecting CE, CS, loyalty, and purchase or repurchase intention. There exists a plethora of frameworks and models focusing on

different purchase stages such as factors influencing purchase intention (Chang *et al.*, 2015) and marketing practices such as service blueprinting which undertakes an internal, process-oriented roadmap of the consumer journey that encompasses all the firm owned touchpoints (Bitner, Ostrom and Morgan, 2008) or customer journey design (Kuehnl, Jozic and Homburg, 2019). So far, there has been limited insights obtained from consumer insight studies which could be put forth into action by decision making authorities or managers, limiting the ability to create consumer-based strategies (Hamilton, 2016). Consequently, an explanation of long-term effects on consumers would be valuable. Therefore, in this research, the author attempts to analyse whether PSQ and Overall customer satisfaction (OCS) can be considered as antecedents (of CE) by determining their effects on CE. By analysing these relationships in the context of smartphone purchase journey using chosen purchase channel, the author will be able to explain the significant factors affecting the CE during the purchase journey.

### ***1.3.3 Third Objective- To determine how customer experience affects future channel loyalty***

Customer experience is gaining importance in marketing research (Homburg, Jozić and Christina, 2017) and marketing practices are moving towards managing CE (Kuehnl, Jozic and Homburg, 2019). However, the focus of consumer behaviour research has been towards the purchase stage and neglecting the long-term loyalty effects (Lemon and Verhoef, 2016). Furthermore, gaining customer loyalty is beneficial for firms (El-Manstrly and Harrison, 2013). But research examining loyalty has generally been based on service quality (Zeithaml, Berry and Parasuraman, 1996) or satisfaction (Dagger, Sweeney and Johnson, 2007). Although some researchers have examined the effects of customer experience on loyalty (Maklan and Klaus, 2011; Klaus and Maklan, 2013), the relationship between CE and channel loyalty has not been extensively studied.

Three conceptualizations of customer loyalty have been identified in literature: behavioural loyalty, attitudinal loyalty, and composite measures of loyalty

(Uncles, Dowling & Hammond, 2003, cited in Kaur and Soch, 2012). The behavioural conceptualisation is measurable through observations and in specific, the purchase loyalty, defined as “*the willingness of the average consumer to repurchase the brand*” (Chaudhuri and Holbrook, 2001, pg.82). However, in this research, the author will attempt to explain how the past purchase experiences affect the consumer’s future channel preference. Therefore, the author will analyse the relationship between CE and the purchase channel loyalty, rather than loyalty to the firm to determine the effect of CE on channel loyalty. From this analysis, it could be inferred that the purchase channel which provides superior (inferior) experience to customers consist of customers with higher (lower) loyalty towards that channel.

#### ***1.3.4 Objective four-To determine if there is a difference in loyalty between online and offline customers***

Apart from examining the loyalty effects of CE on future purchase channels, the author has examined if the channel choice influences the loyalty effects. Although the author acknowledges that loyalty develops on four levels (Oliver, 1999), this study examines loyalty on an overall level as implied by (Zeithaml, Berry and Parasuraman, 1996) since examining the four levels of loyalty requires a longitudinal assessment of consumer behaviour (El-Manstrly and Harrison, 2013). Furthermore, multichannel consumer behaviour has provided insights on channel evaluations (Montoya-Weiss, Voss and Grewal, 2003), risk perceptions and future preference (Neslin *et al.*, 2006). However, examining customer’s loyalty intention as an antecedent of channel choice has not been clearly understood due to the lack of robust research with a specific focus on channel loyalty. Therefore, in this research, the difference in loyalty effects between online and offline channel will be examined, as previous research has indicated a difference in loyalty effects due to channel choice (Ansari, Mela and Neslin, 2008; Brun *et al.*, 2017).

## **2 Literature Review**

### **2.1 Overview**

The purpose of this literature review is to critically review existing literature to identify key theories, models and implications that are central to the focus of this research. Based on the author's review of literature in the areas such as purchase behaviour, customer experience, multichannel management, consumer journey, customer perception, touchpoints, three key themes were identified. First, the growth in the perspective of researchers in understanding the purchase behaviour, which evolved from focusing on purchase transaction to a broader holistic perspective. Second, various methods of evaluation of customer's perception were identified. The third theme represented how customer's perception determines positive behavioural intention towards brands or service providers. The conceptual framework was developed based on this critical analysis of literature, which guides the research strategy, data collection and analysis.

### **2.2 Buyer behaviour to consumer journey**

Consumer behaviour is one of the extensively studied areas in business research for several decades as it examines the purchasing process that consumers undertake (Linehan, 2008). But, the conceptualisation of consumer behaviour has significantly evolved due to two primary reasons. Firstly, research focused on understanding consumer behaviour has been led by the constant call for providing a better explanation of the phenomenon so that firms and consumer can benefit mutually. Secondly, with the growth of the internet and online offering by firms, consumer behaviour has become extremely complex as they can interact with firms through different channels during their purchase. These factors have resulted in an expanded view of consumer behaviour. Rather than viewing it as an activity, it is now viewed as a journey and consequently, management practices have evolved to accommodate this changing environment. Therefore, the literature on both traditional and multichannel view will be examined in this section.

## **Traditional view**

One of the most notable works of literature in early stages of consumer behaviour research is the theory of buyer behaviour by Howard and Sheth (1969) which provides a stimulus-response model of buyers for their choice of brands when purchasing. It is one of the earliest models to integrate different views of consumer behaviour and their response to marketing. However, it is critically limited in its application, especially in the current market environment as their model is particularly focused only on brand choice by consumers when purchasing goods (Hunt and Pappas, 1972) and ignored the emotional aspects of consumption (Holbrook and Hirschman, 1982). Studies have also been conducted in exploring the cognitive and affective processing involved in the selection of products and services such as Mittal (1983), who adopt the information-processing perspective of consumers to describe how consumers process information about products and related experiences involved in a purchase. Similarly, Zaltman & Zaltman (2008, cited in Nelson, 2009) describe that on a deeper level, consumers think similarly. In fact, they actually suggest future marketing researchers to divert from the traditional marketing concepts which focus on the outer layer of consumer behaviour and penchant in dividing the consumers and rather focus on the cognitive metaphors that unify us (Nelson, 2009). However, adopting this approach requires research on a deeper, individual psychological level rather than using existing theoretical models of consumer behaviour, which are intended to provide a generalised view of consumers.

Building upon Howard and Sheth (1969)'s view, Holbrook and Hirschman (1982) called for including experiential aspects of consumer behaviour. According to them, consumer behaviour models focused purely on information processing and neglected the experiential aspects of consumption and the mental events surrounding the act of consumption that differentiates consumers. This was perhaps the most significant call for expanding the view of consumer behaviour from the merely observable point of purchase to the events that lead to the purchase.

Although the focus of research was expanded from the information-processing perspective, theories and models, in general, considered the purchasing behaviour as a three-stage process of acquiring, consuming and disposing of goods (Linehan, 2008). Some researchers have examined the purchase process as not individual service encounter (not yet known as touchpoints) but rather the summation of all service encounters with the firm or service provider (Bitner, Ostrom and Morgan, 2008 pg.68). These encounters are now termed as touchpoints and the customer journey can be viewed as customer perceptions towards all firm-customer touchpoints (Kranzbühler, Kleijnen and Verlegh 2019). However, Bitner, Ostrom and Morgan (2008) acknowledge that the process of purchase is much broader than just encounter with firms, and recent view of consumer behaviour has evolved from narrow, process-oriented purchasing view, to a broad field of study involving attributes such as motivation, needs, lifestyle and social attributes such as culture, reference groups and many such traits (Linehan, 2008). Therefore, several authors have emphasized the need to incorporate and analyse the effects of touchpoints throughout the consumer journey (Lemon & Verhoef, 2016; Hajli, 2014; Kranzbühler, Kleijnen, & Verlegh, 2019; Li and Kannan, 2014; Schamp, Heitmann and Katzenstein, 2019). The effects of touchpoints can be found to have varying effects, according to the stage of the journey in which it occurs. For example, Schamp, Heitmann, & Katzenstein (2019) discuss that ethical attributes at specific touchpoints would result in eliminating brands from further considerations, hence imply the need to consider the full decision-making journey into account. Similarly, Akaka and Schau (2019) state that consumer identity can be formed during the onset of their journey in which some touchpoints are out of control from firms.

To adopt a holistic view of the purchase journey, researchers have called for considering the purchase process as experienced by the consumers, which consists of three distinct stages namely pre-purchase, purchase and post-purchase stage and each phase or stage of the purchase journey consists of several touchpoints, which may be either brand, partner or customer-owned and can be defined as *“the process a customer goes through, across all stages and touchpoints, that makes up the customer experience”* (Lemon and Verhoef,

2016, pg.71) and these touchpoints do not necessarily be owned by firms. (Lemon and Verhoef, 2016; Kranzbühler, Kleijnen and Verlegh, 2019).

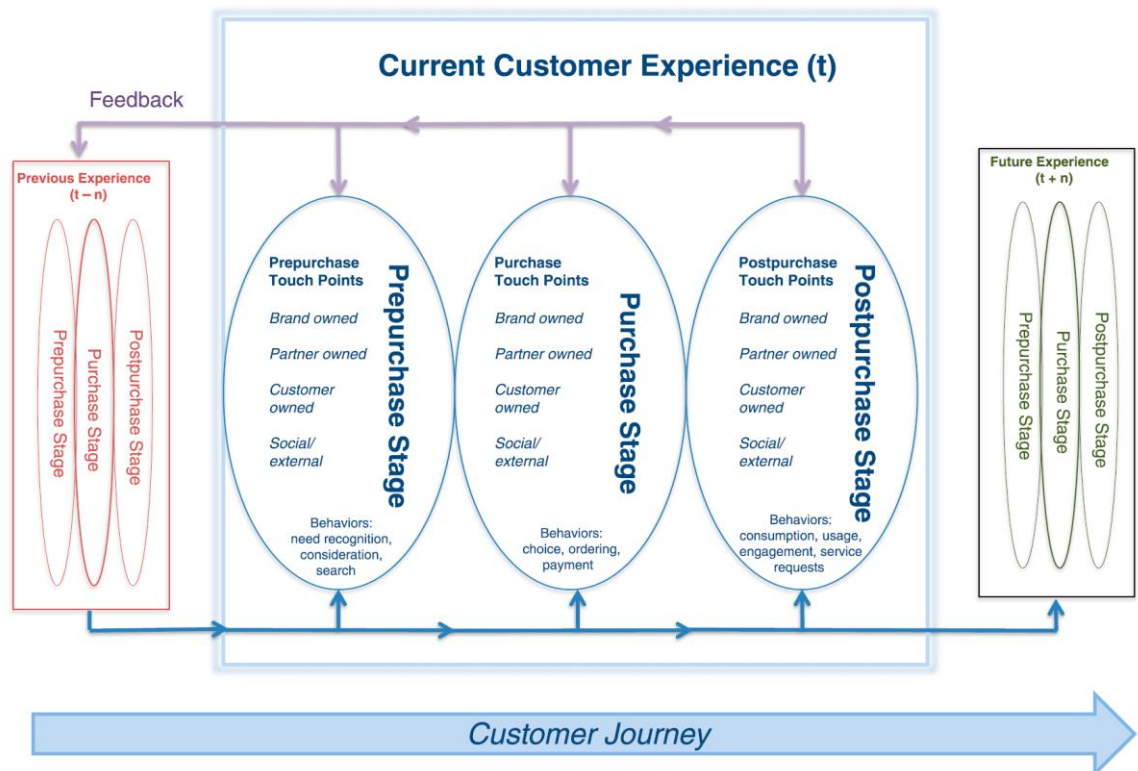


Figure 1: The purchase journey; Source: (Lemon and Verhoef, 2016,pg. 77)

Figure 1 represents the customer purchase journey and the touchpoints associated within the journey. However, practitioners also acknowledge that consumer purchase behaviour is no longer considered a linear process where consumers go through various stages of purchase according to traditional marketing concept such as the marketing funnel (Bonchek and France, 2014). Court *et al.*, (2009) conceptualise consumer journey is affected by their previous interaction with brands during purchase and their experience of using the product or service. Furthermore, customers not only interact with the firm through a single channel and a multichannel perspective needs to be adopted for firms that offer both online and offline modes of service (Meuter *et al.*, 2000; Montoya-Weiss, Voss and Grewal, 2003; Gupta, Bo-chiuan Su and Walter, 2004; Neslin *et al.*, 2006).



## **Multichannel perspective**

Traditionally firms provided their offerings directly through their physical stores and the only mode of interaction between customers and service providers was direct interaction or face to face encounters. However, due to the growth of technology and internet firms started providing their offering through different medium or channels which can be defined as “*customer contact point, or a medium through which the firm and the customer interact*” (Neslin *et al.*, 2006, pg.96). Although the introduction of multiple channels provided beneficial to both firms and customers (Stone, Hobbs and Khaleeli, 2002), it also meant that the customer behaviour became more complex and understanding their purchase behaviour with the various channels offered by the firm indicated a new area of research.

With the shift in firms' offering through multiple channels and the corresponding change in consumer purchase behaviour, research focus also started shifting towards examining these changes. Meuter *et al.*, (2000) for example, recognised the need to understand consumer's perception of technology-based service encounters (not yet known as touchpoints) and identified its differences with face to face encounters. Similarly, studies were conducted on the different facets of multichannel consumer behaviour such as the difference between customer's perception of the physical and virtual store (Burke, 2002) and creating a compelling experience in the online environment (Novak, Hoffman and Yiu-Fai Yung, 2000). Further studies were conducted on the determinants of consumer behaviours with the multichannel service providers. Montoya-Weiss, Voss and Grewal (2003) examined the drivers of online channel usage to analyse how evaluations of online channel affect their satisfaction. Likewise, Gupta, Bo-chiuan Su and Walter (2004) studied the relational aspect of channel perception in switching behaviour (from offline to online). The need for the longitudinal study of customer perception in the multichannel environment was suggested by Ansari, Mela and Neslin (2008) whose findings indicate that separate segments of consumers emerge within the same firm, as some customers tend to migrate from one channel to another with the same service provider as their preference of channel differs with consequent interaction with firms.

To understand how consumer behaviour differs from the traditional view, the effects of touchpoints in the online environment need to be understood. Researchers focusing on effects of touchpoints in the online environment suggest that online touchpoints provide an opportunity to co-create value for both brands and consumers and ultimately provide a positive effect (Hajli, 2014) or to reduce the negative effects of touchpoints by considering it as a significant factor when outsourcing (Kranzbühler, Kleijnen, & Verlegh, 2019). Similar to the effects of touchpoints in the online environment, Hildebrand and Schlager (2019) find that exposure to social media during the information search phase of the journey could affect the product decision of consumers. Thus, reinforcing the need to understand the effects of online touchpoints in the consumer journey.

Although there is a vast amount of literature meant to provide a better understanding of online and multichannel consumer behaviour, traditional consumer behaviour theories and models were also influential in exploring multichannel customer behaviour (Lemon and Verhoef, 2016). This is due to the lack of significant models or theories that capture the intricate notion of the multichannel customer journey (Darley, Blankson and Luethge, 2010). Therefore, Building upon the Howard and Sheth's model (1969) of buyer behaviour, (Neslin *et al.*, 2006) provide a model of consumer behaviour in the multichannel environment, covering different phases of purchase behaviour and adapting it to this context. Similarly, Darley, Blankson and Luethge (2010) provide a model of online consumer behaviour from problem recognition to purchase to outcomes of purchase and state that online consumer behaviour is largely unexplored and fragmented. Frameworks such as attribute model (Li and Kannan, 2014) also imply the necessity for brands with high involvement or various channels to have a macro view of various channels to benefit from the framework and analyse the efficacy of their channels. Furthermore, theoretical frameworks based on existing literature may not be completely relevant due to limitation in application with the varying environment (online or offline) or due to the assumption of considering consumers as rational decision-makers in all circumstances, which may not be conclusively proved as consumers are

sometimes not even aware of the decision making processes themselves (Mittal, 1983 & Zaltman, cited in Nelson, 2009).

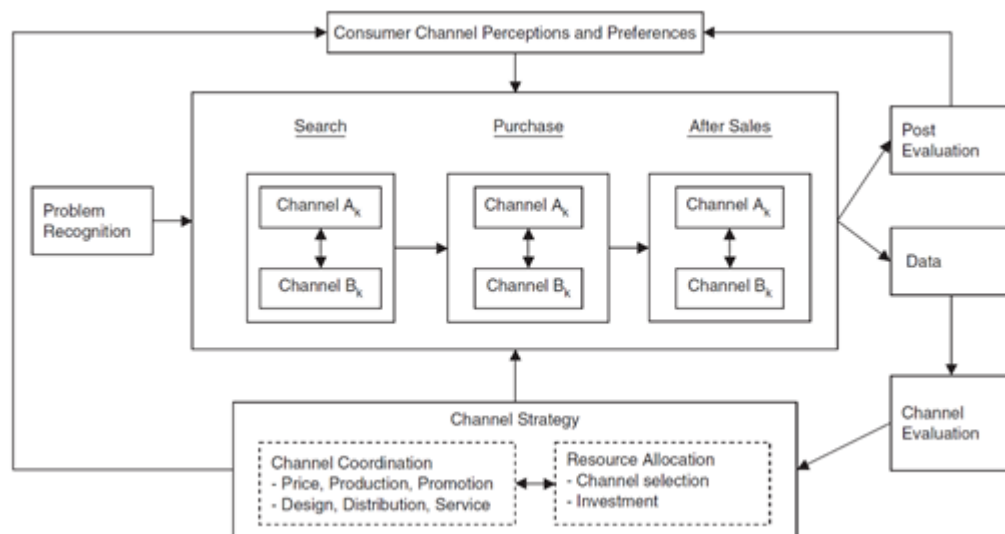


Figure 2: Multichannel customer journey; Source:(Neslin et al., 2006,pg.97)

Regardless of the nature of channels offered by the service providers, analysing the consumer purchase journey to design effective consumer journey influences the customer perception of experience with the brand (Kuehnl, Jozic and Homburg, 2019) or service providers (Bitner, Ostrom and Morgan, 2008) and there is an increasing focus on understanding customer experience from the customer's perspective (Lemke, Clark and Wilson, 2011; Klaus and Maklan, 2011,2013; Lemon and Verhoef, 2016) to enhance customer experience management (Homburg, Jozić and Christina, 2017) as a firm's competitive advantage lies in providing better experiences (Pine and Gilmore, 1998). Understanding and measuring customer perception is reviewed in detail in the next section of the literature review.

### 2.3 Understanding customer perception

Understanding consumer behaviour and determining their path to purchase was aided by early buyer behaviour models which conceptualised the decision-making process as a series of phases or stages from pre-purchase to the post-purchase stage (Sheth, 1969) and these stages involved a series of five core steps (problem recognition to purchase to outcomes) as stated by Engel, Kollat,

and Blackwell (1978, cited in Darley, Blankson and Luethge, 2010). These models were supplemented by feelings of fun and fantasy by Holbrook and Hirschman (1982) and online behaviour models (Darley, Blankson and Luethge, 2010) and multichannel purchase behaviour models such as Neslin *et al.*, (2006)'s model of the multichannel customer journey. These models are useful for firms to channel their marketing efforts to drive consumers to purchase their goods (Sheth, 1969). However, understanding how consumers perceived the quality of goods and service offered by firms and their evaluation of service encounters (Bitner, Ostrom and Morgan, 2008), later defined as touchpoints, which includes all points of contact with the firm by the customers (Lemon and Verhoef, 2016) required quantifiable measurement of these touchpoints. Therefore, various scales were developed to measure the customers' perception which provided a better understanding of how customers felt about brands or service providers. Based on the review of literature, three measurements were identified as most important, namely (1) Perceived Service quality (2) Customer satisfaction and (3) Customer experience.

### **Perceived Service quality**

Some firms may offer only tangible products or goods such as manufacturing and technology providers. But, Bitner, Ostrom and Morgan (2008) state that all businesses provide some type of service, and previous marketing practices and research were focused on gaining competitive advantage through providing superior service to customers (Lemon and Verhoef, 2016). Therefore, to obtain this advantage, researchers had to deviate from the objective conceptualisation of service quality and consider service quality as the subjective evaluation of individuals known as perceived service quality (PSQ) (Parasuraman, Zeithaml and Berry, 1988).

Although the consumer purchase journey differs between individuals or segments, evaluation of individual perceptions of all customers may not be feasible or provide practical benefits for firms. Therefore, quantifiable measurements for understanding were developed to measure the PSQ (Parasuraman, Zeithaml and Berry, 1988; Cronin Jr. and Taylor, 1992; Dagger, Sweeney and Johnson, 2007) as they could be used to assess the overall

performance of firms, and identify areas of service that require managerial attention. Furthermore, these measurements can predict the behavioural consequences of PSQ (Zeithaml, Berry and Parasuraman, 1996).

The measurement scales considered PSQ as an attitude of customers towards firms developed as a result of their interaction with firms during their process of purchase. Perhaps, one of the most significant measurement scales of PSQ is the SERVQUAL developed by Parasuraman, Zeithaml and Berry (1988) who conceptualised that PSQ arises due to difference in customer's expectation and the actual service received. Based on their empirical study, they identified ten dimensions of service quality that were most influential in the formation of PSQ and measured both expectation and performance dimensions of PSQ. However, Cronin Jr. and Taylor (1992) proposed that SERVQUAL is inadequate in determining the behavioural outcomes of customers, and suggested that measuring PSQ based on the performance dimension alone is a better determinant of behavioural outcomes (purchase intention), thereby developing SERVPERF scale. However, its application is limited as it is more appropriate for low involvement services such as grocery shopping or restaurants.

Other approaches to measuring service quality were also used by researchers. For example, in high involvement services such as healthcare, there may be further dimensions involved in the formation of PSQ (Cronin Jr. and Taylor, 1992). Therefore, building upon the SERVQUAL, Dagger, Sweeney and Johnson (2007) noted that in high involvement services, customers evaluate service quality at different levels. However, they adopt a reflective approach to service quality which implies that higher levels PSQ is a result of superior quality of service provided and not the other way around. Another approach of customer's attitude proposed by Olsen (2002) suggests that relative attitudinal measurements provide better predictive outcomes. In other words, instead of measuring customer's perception about a single firm's offerings, comparison their evaluation against multiple firms may provide a better understanding of their attitude towards the firm. Similarly, Smith, Bolton and Wagner (1999) state that customer's evaluation of service quality is affected due to service failures

and the effort taken by the firms to compensate for these failures, defined by them as service recovery.

As firms included technology-based touchpoints within their service process, customer's response to technology and consequently, their evaluation of purchasing experience will not be the same (Burke, 2002). Online retailers required new methods of understanding PSQ of a website, as determinants of online experience differ from that of physical stores. Meuter et al.,(2000)'s study shows that in a service process involving service-based touchpoints, the sources of satisfaction and dissatisfaction is different from that of interpersonal service encounter or touchpoints. Thus, implying the importance of understanding customers' evaluation of technology-based touchpoints. Despite the need for assessing PSQ of online channels, very few scales are empirically valid, such as the E-S-QUAL developed by Parasuraman, Zeithaml and Malhotra (2005) based on the SERVQUAL. Although a secondary scale of measurement was developed for evaluating PSQ during service failure incidents, the E-S-QUAL is not applicable in all contexts as its purpose is solely to measure PSQ of Web sites.

### **Customer Satisfaction**

Service encounter with firms can be assessed either through PSQ or through satisfaction and they are considered as distinct but closely related constructs (Taylor and Baker, 1994). Although PSQ measures the customer's evaluation of the firm, it does not represent whether a customer is fulfilled with the service encounter. For example, service quality perceptions may be low, but the service encounter satisfaction may still be high as service recovery efforts by firms alleviate low-quality perceptions by customers and improve satisfaction levels (Smith, Bolton and Wagner, 1999). Therefore, CS was considered to be a broader concept that represented the customer's emotional response to service quality evaluations (Oliver 1993, cited in Taylor and Baker,1994) and how fulfilled the customers are with the service provided (Oliver1997, cited in Olsen, 2002). This transaction-specific view considers CS as the customer's emotional

response to product or service encounter, and all these incidents form the overall satisfaction with the firm (Hennig-Thurau and Klee, 1997).

Customer satisfaction (CS) is considered to be one of the key antecedents in determining future behaviour. Even the early model of consumer behaviour by Howard and Sheth (1969, cited in Sheth, 1969) suggested that satisfaction generates a feedback loop that impacts future behaviour. Holbrook and Hirschman (1982) state that satisfaction is evaluated by the experiential aspects of consumption rather than pure information. This, when combined with Aaker and Lee's view (2001) that human beings in general are hedonic, seeking pleasure and avoiding painful or unpleasant experiences, suggests that unsatisfied customers tend to avoid the same path in a future purchase. Studies have also examined the exact nature of the relationship between satisfaction and service quality. One of the early studies to examine the moderating role of CS on purchase intention was done by Taylor and Baker (1994) and their study revealed that PSQ forms CS, which in turn affects purchase intention. Subsequent studies also studied the nature of this relationship in different contexts such as high involvement services (Dagger, Sweeney and Johnson, 2007), online channel (Pee, Jiang and Klein, 2019) and multichannel service provider (Montoya-Weiss, Voss and Grewal, 2003). The generally accepted relationship between service quality and satisfaction is that PSQ is an antecedent of CS and that CS moderates the effect of PSQ with behavioural outcomes such as loyalty and purchase intention. Furthermore, some studies have also called for cumulative measurements of service quality throughout the purchase journey (Nawi, Fong and Tatnall, 2014; Pee, Jiang and Klein, 2019)

### **Customer experience**

Research and management practices have evolved from merely observable actions to customer experience. This is because of the growing importance of understanding customer's perception of their purchase experience with the firm, both by researchers and by practitioners to enhance customer experience provided through their services. The shift in focus of firms in understanding the customer experience perspective has evolved periodically (Lemon and Verhoef, 2016). Early consumer behaviour research such as Holbrook and Hirschman

(1982) proposed that a paradigm shift is required to enhance the understanding of consumer behaviour from the perspective of consumers. They advocate that, for consumers, the process of purchase is not merely an activity that is aimed at attaining a goal, it is rather driven by internal emotional processing that considers the process as an experience. Furthermore, Pine and Gilmore (1998) advocated that providing a memorable customer experience should be the significant focus of an organisation to sustain and gain competitive advantage.

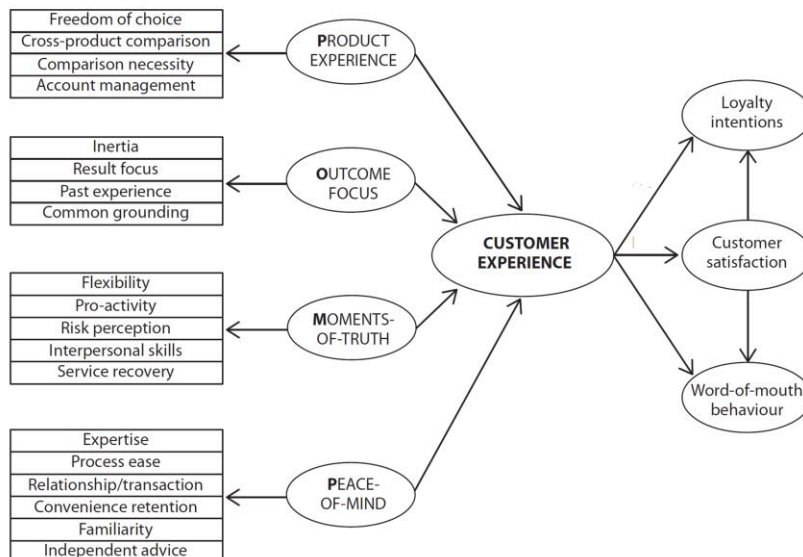
Although management practices have realised the importance of examining CE to implement customer experience management (CEM) programs, existing knowledge is fragmented (Klaus and Maklan, 2013) and in its nascent stage (Lemon and Verhoef, 2016). Although satisfaction arises when customer's basic utilitarian benefits are fulfilled, to evoke the feelings of delight, the customers must experience hedonic benefits of consumption (Chitturi, Raghunathan and Mahajan, 2008). The need to understand how experience is developed in an online environment was also recognised by (Novak, Hoffman and Yiu-Fai Yung, 2000), they find that the nature of consumer behaviour differs from that of the traditional environment, such as engagement and interaction with the firm. Due to these differences, new challenges arise to provide a compelling experience online.

When adopting the organisational perspective of examining customer experience, Rawson, Duncan and Jones (2013) imply the need to understand the CE throughout the service process. This is supported by Homburg, Jozić and Christina (2017) who suggest that efficient CEM design can be achieved only by integration of touchpoints. Therefore, management techniques such as service blueprinting can not only help firms to identify the point of contact of customers with the firm and the internal processes associated with it but also help enhance these processes to enhance the customer experience (Bitner, Ostrom and Morgan, 2008). Other techniques such as experience audit, walkthrough audit and service transaction audit can also help manage CE (Garg, Rahman and Kumar, 2010).



When considering the holistic view that CE is formed throughout their journey, Lemke, Clark and Wilson (2011) emphasise that customers also evaluate their experiences apart from service quality and product quality and that some touchpoints may not be relevant in the formation of experience quality. However, evaluating CE on a holistic view is critically limited as the existing measures of understanding customer perception such as SERVQUAL or satisfaction measures are limited to service quality measurements and satisfaction outcomes. Furthermore, very few studies have attempted to provide a scale of measurement to understand the experience quality perceptions of customers such as the Experience quality scale (EXQ) by Maklan and Klaus (2011).

Although scales of measurement such as the (EXQ) is reliable across different service settings (Klaus and Maklan, 2013), it is important not to ignore CS and other approaches to assessing customer perceptions of the purchase experience.



*Figure 3: Determinants of customer experience; Source(Klaus and Maklan, 2013,pg.230)*

Existing literature suggests that marketing practices and research focus are moving towards the evolving concept of customer experience management. Therefore, implying the need to explore the vastly unexplored area of customer experience and experience quality. *“One could even argue that customer experience is broadening the concept of customer satisfaction, leading to a richer view. Service quality (and its constituent elements) would be considered an antecedent of customer experience”* (Lemon and Verhoef, 2016,pg.74).

## **2.4 Gaining customer loyalty**

Consumers may not remain loyal to the same brands or service provider in their future purchase, but when considering their options, prior experience with the service provider plays an important role in their pre-purchase decision. That is, when they have a poor experience with a service provider, they are highly unlikely to consider the same provider when the need for purchase rises, especially in high involvement services (Court et al., 2009). However, understanding the drivers of positive behavioural intentions and providing a better CE throughout their journey and lowering customer defection is financially beneficial to companies (Zeithaml, Berry and Parasuraman, 1996; Rawson, Duncan and Jones, 2013). Therefore, researchers have attempted to determine the key drivers of loyalty and in the multichannel environment, they have focused on determinants of channel choice.

### **Drivers of loyalty**

Service quality is one of the key determinants of future purchase intention. For example, Zeithaml, Berry and Parasuraman (1996), in their study on the effects of service quality, found that the PSQ was a key antecedent in determining both positive and negative behavioural outcomes, which in turn affected the financial outcomes for companies. Service quality may not be the only driver of behavioural outcomes, as a failure in service does not always translate to negative behaviour (Smith, Bolton and Wagner, 1999). Therefore, researchers focused on examining additional elements that determined purchase intentions. Cronin Jr. and Taylor (1992) analysed the difference in effects of PSQ and satisfaction on purchase intention and found that satisfaction is a better determinant of purchase intention. However, PSQ was not considered

independent of satisfaction. Instead, they were considered as closely related and the exact nature of their relationship was identified as satisfaction moderating the effect of PSQ on purchase intention (Taylor and Baker, 1994). Subsequent research also widely accepted this relationship and was empirically tested in other contexts such as high involvement service settings (Dagger, Sweeney and Johnson, 2007).

Although future purchase intention is an important positive behavioural outcome of the purchasing experience (Zeithaml, Berry and Parasuraman, 1996), for firms to gain financial benefits, they need to capture the loyalty of customer as gaining new customers is more expensive than retaining existing customers (El-Manstrly and Harrison, 2013). Customer loyalty is generally determined by measuring PSQ and satisfaction of customers and its effect on loyalty (Olsen, 2002; Rajeswari, Srinivasulu and Thiyagarajan, 2017). However, Oliver (1999) states that satisfied customers are not loyal customers as loyalty is developed by consumers on different levels with the highest level of loyalty being the behavioural or action loyalty. Thus, implying that better measures of loyalty such as El-Manstrly and Harrison (2013)'s service loyalty scale could be used as better predictors of loyalty.

Marketing practices have shifted from relying on satisfaction measurements to experience-based management programs in gaining customer loyalty such as service blueprinting (Bitner, Ostrom and Morgan, 2008) and CEM (Homburg, Jozić and Christina, 2017). Researchers have also indicated the importance of the relationship between experience and loyalty. Chitturi, Raghunathan and Mahajan (2008) have found that loyalty obtained by satisfying customers is due to utilitarian benefits and that loyalty obtained through by delighting customers not only retains loyalty but also improves promotion motives. Klaus and Maklan (2011) proposed that experience-based measurements of customer perception (EXQ) are better predictors of customer loyalty than satisfaction, which was later tested in across different service settings to empirically show that experience quality was a better predictor of customer loyalty than satisfaction (Klaus and Maklan, 2013).

## **Effect of channels**

Effective customer journey design can enhance CE, which in turn influences loyalty (Kuehnl, Jozic and Homburg, 2019). To achieve effective customer journey design, integration of touchpoints across all channels of service is required (Bitner, Ostrom and Morgan, 2008; Lemon and Verhoef, 2016). Existing studies examining loyalty effects in the different channel have identified different nature of loyalty effects. Ansari, Mela and Neslin (2008) identified that purchase made on the internet have limited effects on loyalty. In the multichannel environment, customers tend to avoid uncertainty and risk when purchasing, thereby use familiar channels to purchase. Furthermore, adding multiple channels may increase financial benefits. However, customer loyalty is formed due to the overall evaluation of all the channels (Montoya-Weiss, Voss and Grewal, 2003). Although researchers have focused on examining multichannel customer journey as described in section 2.2.2 and measuring customer perceptions in different channels as described in section 3, the research on the effect of past channel use on channel loyalty or loyalty towards the service provider in general, required for effective channel integration is relatively unexplored as the multichannel studies have focused more on the drivers of channel choice using channel inertia or channel benefits evaluations of customers (Lemon and Verhoef, 2016) and not on examining experience.

## **2.5 Conceptual Framework**

### **2.5.1 Developing the framework**

It is the purpose of this study to contribute to the newly evolving focus of marketing and research on CE in a multichannel purchase environment by understanding the customer's perception of purchase experience with their chosen service providers. Furthermore, this study also aims to understand how the customer's channel preference is affected due to their evaluations of purchase experience by examining its effect on channel loyalty and contribute to the research on multichannel customer behaviour. Therefore, the objectives of this research are meant to quantitatively analyse these relationships and provide an explanation to it.

This section is divided into two sections. First, the author describes the development of the conceptual framework using the research objectives. This is followed by a description of the measures that were chosen for collecting data for the required variables and testing the hypotheses. Figure 4 shows the overall conceptual framework and figure 5 shows the hypotheses testing that will be done during data analysis.

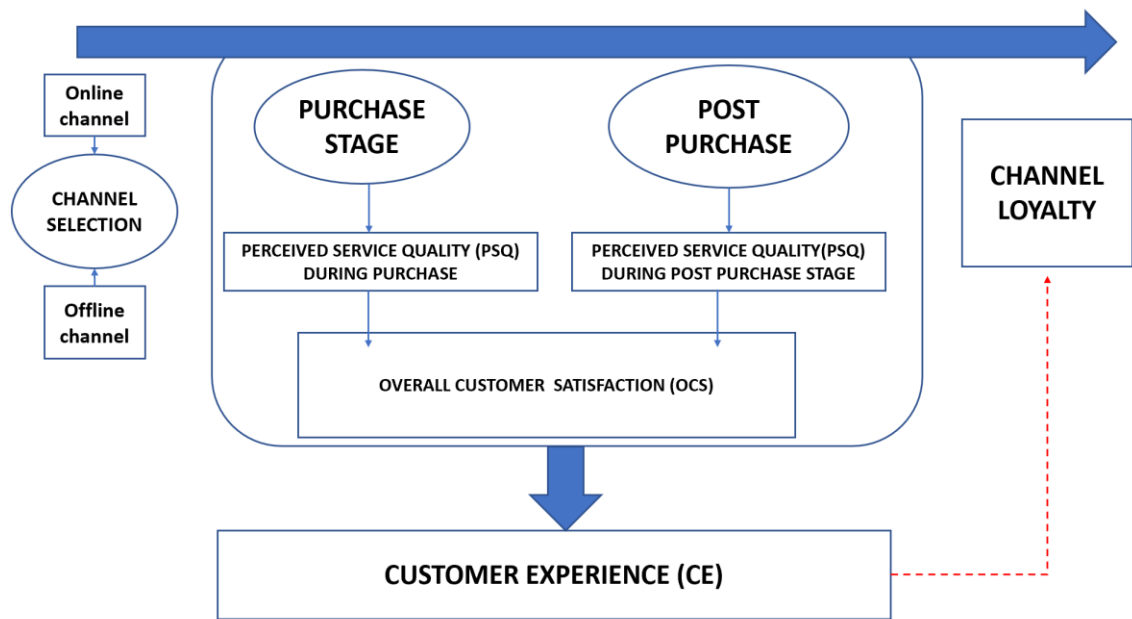


Figure 4: Conceptual framework

#### 2.5.1.1 **Objective 1: To determine if there is a difference in customer experience between online and offline customers**

The purpose of this objective is to understand how the CE, measured using EXQ (Klaus and Maklan, 2013) is affected by the customers' channel choice by analysing how much it differs between the customers choosing to purchase their smartphone at an online store and those who purchase at a physical store. The seminal theories that are used for this objective are those of Neslin *et al.*, (2006); Bitner, Ostrom and Morgan (2008); Lemke, Clark and Wilson (2011); Maklan and Klaus (2011); Valentini, Montaguti and Neslin (2011); Lemon and Verhoef (2016); Homburg, Jozić and Christina (2017).

Research in consumer purchase behaviour has evolved from transaction-specific, information processing perspective (Sheth, 1969) to including experiential aspects of consumption (Holbrook and Hirschman, 1982) to a much broader perspective that considers the process of purchase as a highly complex behaviour with three distinct stages (Lemon and Verhoef, 2016) and is affected by the presence of multiple channel choice given by the service provider (Valentini, Montaguti and Neslin, 2011). Therefore, in a multichannel environment such as the smartphone purchase, the customers may undertake their purchase journey either through an online store or directly through a physical store, and the CE is formed as a result of the touchpoints that the customers come across during the process (Homburg, Jozić and Christina, 2017), which differs with their choice of channel (Brun *et al.*, 2017). Furthermore, customers also evaluate the experience quality along with service quality and satisfaction (Lemke, Clark and Wilson, 2011).

As most consumer behaviour models and management practices have focused on conversion (purchase) as the sole outcome (Lemon and Verhoef, 2016), this research will focus on both the moment of purchase and also the post-purchase stage of the purchase. However, this research will examine only the experience with the service provider and not the experience of using the product. Therefore, only the touchpoints that are owned by the firm will be included as the CE can be enhanced through service encounters (Bitner, Ostrom and Morgan, 2008) and firm owned touchpoints (Kuehn, Jozic and Homburg, 2019).

Lemon and Verhoef (2016)'s conceptualisation of purchase journey (shown in figure 1) is adapted in this research. Specifically, as this research focuses only on the purchase and post-purchase stage, only the touchpoints associated with these two stages are considered. Similarly, Neslin *et al.*, (2006) state that, in a multichannel environment, customers evaluate their experience of the chosen channels chosen during each stage of the journey (as shown in figure 2). However, it is assumed in this research, that the customer will use the same channel for both purchase and post-purchase stage, and therefore the channel choice during purchase will be considered as their channel choice during the post-purchase stage. This assumption was made as some smartphone providers in Ireland use only a single channel of service (Google store, 2020;

Oneplus, 2020). Furthermore, Bitner, Ostrom and Morgan (2008) state that the CE is formed as a result of their evaluation of service encounters with the firm and the customer's perception of experience with the service provider can be measured through their evaluation of four dimensions namely product experience, outcome focus, moments of truth and peace of mind (Klaus and Maklan, 2013).

Overall, existing literature on consumer behaviour indicates that due to the highly complex environment, customer purchase journey differs with an individual's choice of channels during their journey. However, the relationship between the choice of purchase channel (online or physical store) and its impact on CE has been relatively unexplored. Therefore, the following hypotheses were framed for analysing objective 1

**H1-** There is a significant difference in the customer experience of online and offline channel customers

**H1o-** There is no significant difference between the customer experience of online and offline channel customers

#### **2.5.1.2 *Objective 2: To determine if the customer experience is affected due to perceived service quality and overall customer satisfaction***

The purpose of this objective is to explain how CE is affected due to other customer perceptions during purchase, namely PSQ and OCS. The seminal articles used in this objective are Holbrook and Hirschman (1982); Parasuraman, Zeithaml and Berry (1988); Cronin Jr. and Taylor (1992); Taylor and Baker (1994); Novak, Hoffman and Yiu-Fai Yung (2000); Parasuraman, Zeithaml and Malhotra (2005); Dagger, Sweeney and Johnson (2007); Maklan and Klaus (2011); Klaus and Maklan (2013) Lemon and Verhoef (2016)

In section 2.3 of the literature, the author described how the researchers and practitioners can measure the customers' perceptions. The key variables that were measured in previous studies are the PSQ, CS and CE. Literature in

service quality has extensively used the SERVQUAL (Parasuraman, Zeithaml and Berry, 1988) to measure the service quality by conceptualising that PSQ is a result of the difference in expectation of customers and actual performance of the firms. Other approaches to measuring service quality have also been employed such as the SERVPERF scale (Cronin Jr. and Taylor, 1992). Each approach can be adapted based on the context of application and preference of researchers. However, service quality captured only the customers' evaluation of touchpoint and not their emotional state or response to the service encounters. Therefore, researchers proposed that satisfaction, a broader construct that is not only dependent on the service quality evaluation but also their attitude towards their overall perception about the firm (Holbrook and Hirschman, 1982; Taylor and Baker, 1994). Furthermore, the exact nature of the relationship was identified as the PSQ affecting CS, which in turn affects purchase intention (Cronin Jr. and Taylor, 1992; Taylor and Baker, 1994; Dagger, Sweeney and Johnson, 2007). However, service quality and satisfaction are reliable measures of understanding the customer perception, but new marketing strategies are moving towards improving customer experience (Pine and Gilmore, 1998) and effective CEM programs require understanding customers' perception of the purchase experience with the firm or service provider (Homburg, Jozic and Kuehnl, 2017). Furthermore, CE is considered as a broader concept that extends the understanding of CS (Lemon and Verhoef, 2016). Even in the online and multichannel environments, studies have only attempted to understand the widely studied notions of PSQ and its effect on CS (Montoya-Weiss, Voss and Grewal, 2003; Parasuraman, Zeithaml and Malhotra, 2005; Kuehnl, Jozic and Homburg, 2019)

Overall, existing literature implies that, although customers evaluate the quality of experience (Lemke, Clark and Wilson, 2011) and there are available methods of measuring the CE using scales such as EXQ scale (Maklan and Klaus, 2011), its relationship with other proven variables of purchase experience such as CS and PSQ has been relatively unexplored. Therefore, examining how CE is related to other constructs is a potential area of research (Lemon and Verhoef, 2016) and the following hypotheses were created to test the relationship stated in objective 2.



**H2-**There will be a significant prediction of customer experience by service quality at the purchase stage, service quality at the post-purchase stage and Overall customer satisfaction

**H2o-** There is no significant prediction of customer experience by service quality at the purchase stage, service quality at the post-purchase stage and Overall customer satisfaction

**2.5.1.3 *Research objective 3: To determine how customer experience affects future channel loyalty***

**2.5.1.4 *Research objective 4: To determine if there is a difference in loyalty between online and physical store customers***

In addition to understanding the perceptions of customers, firms need to understand the behavioural outcomes of the customers' evaluations of the firms offering. Specifically, it is beneficial for firms when behavioural intentions and outcomes are positive. Previous studies have examined the consequences of PSQ on behavioural outcomes (Zeithaml, Berry and Parasuraman, 1996), the recovery efforts by firms on PSQ and service satisfaction (Smith, Bolton and Wagner, 1999). Other studies have examined the moderating role of satisfaction between PSQ and purchase intentions (Taylor and Baker, 1994; Dagger, Sweeney and Johnson, 2007). Although the PSQ and satisfaction are developed differently in an online and multichannel environment. Studies generally support that higher levels of PSQ and satisfaction lead to positive behavioural intentions (Montoya-Weiss, Voss and Grewal, 2003; Parasuraman, Zeithaml and Malhotra, 2005; Darley, Blankson and Luethge, 2010).

In this research, the author examines the behavioural outcomes in terms of loyalty as Oliver (1999) states that merely satisfying customers does not result in repurchase, therefore, gaining the loyalty of customers is essential for firms. Furthermore, since CE is a broader construct than both PSQ and satisfaction (Lemon and Verhoef, 2016), some researchers have examined its effect on loyalty such as Maklan and Klaus (2011) who proposed that customer experience may have a stronger effect on loyalty. They further examined this

relationship in different service settings (Klaus and Maklan, 2013), implying that CE has a stronger effect on loyalty than satisfaction does. In the multichannel environment, studies have generally focused on channel choice behaviour have identified various determinants of channel choice, such as geodemographics & channel category associations (Inman, Shankar and Ferraro, 2004), comparison between loyalty effects of online and offline purchase (Ansari, Mela and Neslin, 2008) and switching behaviour (Gupta, Bo-chiuan Su and Walter, 2004). However, studies that examine channel loyalty as a determinant of channel choice is generally lacking.

Overall, the analysis of literature on behavioural outcomes of customer perceptions indicate the general lack in considering the effect of CE on loyalty and whether channel choice is affected by prior purchase experience. Therefore, the author will specifically examine the effect of CE and channel loyalty, and the relationship between past channel choice and future channel loyalty. The following hypotheses were framed for this purpose

**For objective 3:**

**H3-** There is a significant variance in channel loyalty caused by CE

**H3o-** There is no significant variance in channel loyalty caused by CE

**For objective 4:**

**H4-**There is a significant difference in channel loyalty between online and instore customers

**H4o-**There is no significant difference in loyalty between online and instore customers

## 2.5.2 Operationalisation of measures

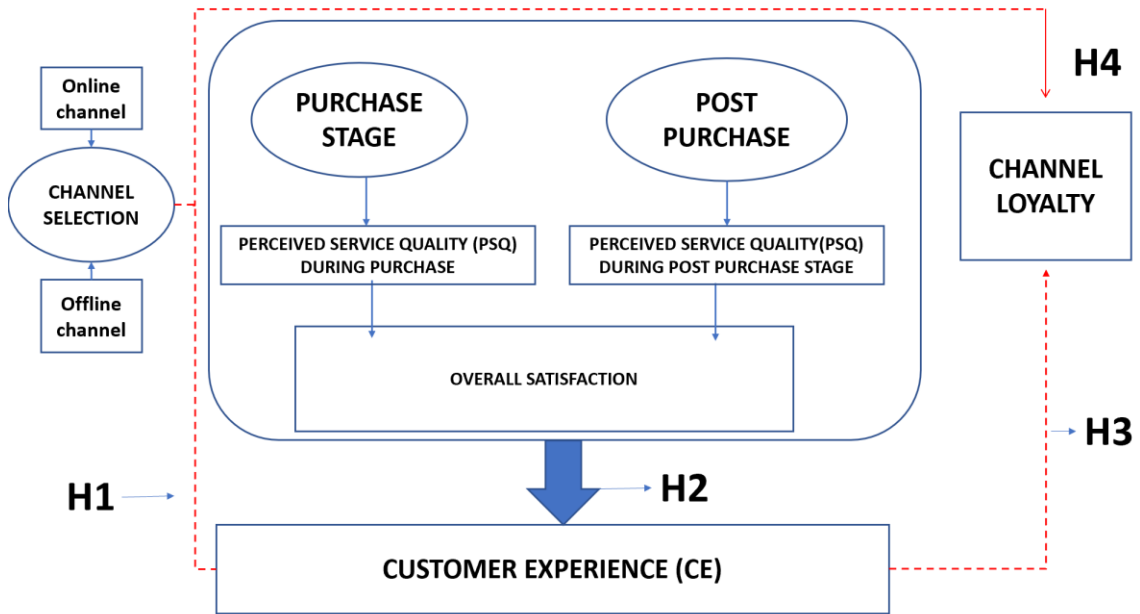


Figure 5: Operationalisation of measures

Table 1 shows all the variables measured (other than categorical and demographical) and the scales of measurements used for collecting data.

**Hypothesis 1** tests the relationship between the customer's choice of purchase channel and the CE to determine if CE differs between online and offline customers. To test this hypothesis, the variables required are the customer experience and channel choice. Here, CE is the dependent variable and the channel choice is the independent. The CE is measured using the EXQ scale (Klaus and Maklan, 2011) under three dimensions namely outcome focus, moments of truth and peace of mind using fifteen measures. The channel choice is identified by the categorical question C2(in appendix B). Although the original scale includes four dimensions of measurement, the product experience dimension refers to the customers' perception of having choices and the ability to compare offers. This dimension is not included as the customer would have already made their product choice at the moment of purchase and it has a

relatively weaker effect on behavioural outcomes when compared to other dimensions such as peace of mind and moments of truth (Klaus and Maklan, 2013).

**Hypothesis 2** tests the effect on CE due to other constructs of purchase namely PSQ and OCS. The author has chosen to measure the PSQ at both the touchpoints as OCS is the customer's evaluation of individual touchpoints and the satisfaction is an outcome of the PSQ and is broader not only dependent on the service quality. Therefore, satisfaction is measured as overall evaluation about the firm by customers, that is dependent on PSQ at both stages. Furthermore, as suggested by the literature, CE is formed as a result of the customer's evaluation during all the stages of the purchase, so it is conceptualised that the CE is affected by increase or decrease in PSQ and OCS.

In this research, the widely used SERVQUAL and SERVPERF scales are not adopted to measure service quality for two reasons. First, the author wishes to examine the service quality at both stages of the purchase, whereas the SERVQUAL (Parasuraman, Zeithaml and Berry, 1988) and SERVPERF (Cronin Jr. and Taylor, 1992) scales do not show a clear distinction between the two stages. Likewise, measuring online service quality using E-S-QUAL (Parasuraman, Zeithaml and Malhotra, 2005). Second, the aim of objective 2 is not to measure PSQ in-depth, it is rather to measure the CE in-depth to analyse how it related the other constructs. Therefore, Taylor and Baker's (1994) definition of service quality as *"the consumer's overall impression of the relative inferiority/superiority of the organisation and its service"* (pg.165) and their measure of service quality is adopted for this research.

Here, the CE is considered as the dependent variable and the PSQ during purchase, PSQ during post-purchase stage and OCS are considered as the independent variable. The overall model is conceptualised such that any increase or decrease in perceptions of the independent variables (PSQ & CS) will result in an increase or decrease in the dependent variable (CE).

**Hypothesis 3** test the relationship between CE and channel loyalty to determine if CE affects channel loyalty. The CE is measured using the EXQ

scale as already mentioned. There are no robust measures of channel loyalty available, based on the author's literature review. Therefore, for measuring channel loyalty, service loyalty measurement used by Zeithaml, Berry and Parasuraman (1996) has been adapted by the author and is measured under two dimensions namely loyalty and switching behaviour. Channel loyalty is conceptualised as being dependent on the CE. Therefore, the CE being the independent variable and channel loyalty as the dependent variable.

**Hypothesis 4** tests the difference between channel loyalty of online and offline customers. The purpose of this hypothesis is to test if the experience in using a particular channel of purchase affects the customer's future preference for using that channel. Here, channel loyalty is the dependent variable and the channel category is the independent variable. The result of this hypothesis will indicate if customer likely the customers are to use the same channel of purchase during their next smartphone purchase.

Variables measured	Dimensions measured	Related Article
Perceived service quality (PSQ) during purchase	Overall evaluation	An assessment of the relationship between service quality and customer satisfaction; Taylor and Baker -1994
Perceived service quality (PSQ) during post purchase stage	Overall evaluation	
Overall satisfaction	Overall evaluation	A Hierarchical Model of Health Service Quality: Scale Development and Investigation of an Integrated Model; Dagger; Sweeney;Johnson - 2007
Customer experience (CE)	Peace of mind, outcome focus, moments of truth	Towards a better measure of customer experience -Klaus and Maklan 2013
Channel loyalty	Loyalty, switching behaviour	The Behavioral Consequences of Service Quality- Zeithaml, Berry and Parasuraman, 1996

**Table1:** Operationalisation of measures

## **2.6 Conclusion**

The author has developed the conceptual framework based on critical analysis of literature to identify key issues and implications for research. The three areas of issues identified by the author, due to lack of empirical research in the areas are

- (1) Lack of research on the difference in CE arising due to the different nature of purchase channels.
- (2) Relationship between CE and other constructs of purchase namely PSQ and OCS is unclear.
- (3) Effects of CE on future channel preferences are relatively unexplored.

The conceptual framework (figure 4) was developed by adapting the previous theories on consumer behaviour, measurement of customer perception and behavioural outcomes of the purchase experience, and to examine the research questions and objectives. Four hypotheses were developed to test the relationship between different variables based on the objectives (figure 5). The conceptual framework will guide the overall research strategy including the data collection and analysis.

### 3 Methodology and Research Design

#### 3.1 Overview

Research is a process of finding things for a specific purpose in a systematic way, based on logical relationships rather than just beliefs (Saunders, Lewis and Thornhill, 2019). The most notable and adopted framework for determining the research design is the research onion from Saunders, Lewis and Thornhill( 2019). This framework will be utilised as a guideline for this research, and this section will inform the author's choice of philosophy, approach and strategy to be used to provide an explanation of the role of CE in the purchase journey and how it affects the customer's future behavioural intentions.

The conceptual framework and objectives set by the author for this research will set the direction that will lead to reliable data to be collected, through which the hypotheses will test relationships between variables and accomplish specific objectives.

The author has chosen critical realistic philosophy combined with a deductive approach and use existing theory to analyse quantitative data collected through an online survey among participants that fit the research criterion.

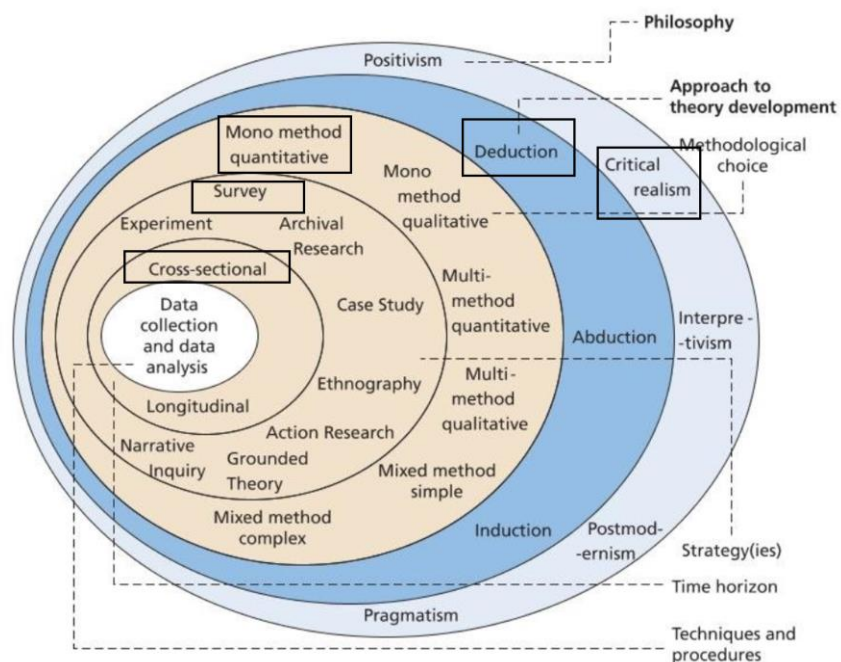
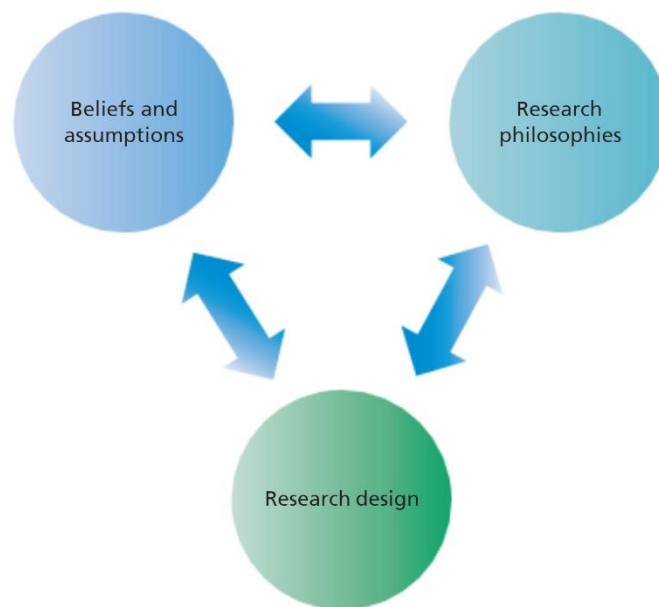


Figure 6: The 'research onion'. Source: (Saunders, Lewis and Thornhill, 2019,pg131)

### 3.2 Research Philosophy and Approach

Before undertaking research, it is important to clearly define the researcher's system of beliefs and assumptions about the development of knowledge, and the translation of this position into coherent research methodology is influenced by considerations such as the subject area, availability of time and access to data (Saunders, Lewis and Thornhill, 2019). Therefore, the process of undertaking this research involved defining the researcher's own beliefs to choose the corresponding research philosophy and developing the most appropriate research design.



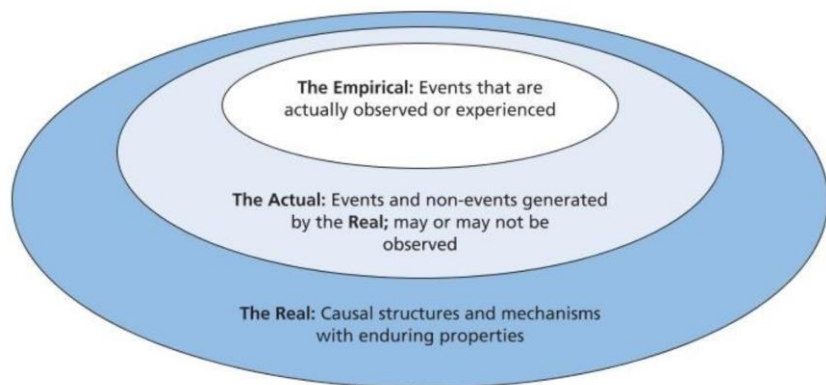
*Figure 7: Process of research development; Source:(Saunders, Lewis and Thornhill, 2019,pg132)*

In this study, it is the belief of the author that purchase behaviour is subjective, made up of perceptions and action of various actors during the process of purchase. Furthermore, the nature of this research is not just to present the observed data as it is, with complete objectivity. Rather, this study will undertake the critical realism paradigm, which considers events as a two-stage process, one is what we experience and the other is our mental processing. The



process of purchasing a smartphone can be examined purely on an observational basis as in positivism, which examines just the consumer's behaviour. But in this research, the author views purchase behaviour from the perspective of the consumers and to collect data on the consumer's interpretation of the events and interactions with the service providers that define their experience during this behaviour. This approach holds a middle ground between pure objectivism and pure subjectivism.

This research aims to explain the relationships between consumer's perception of prior purchase, that includes the choice of channel and service provided, with the future behavioural intentions through statistical analysis of primary data collected. Although the data will be analysed and interpreted to generalise the findings, the conceptual framework and theoretical background of this study acknowledge the causal mechanisms behind the events, such as cognitive processing, that differs between individuals.



*Figure 8: Critical realist stratified ontology Source: (Saunders, Lewis and Thornhill, 2019, pg 148)*

Coherent with the critical realistic paradigm, this research will use a deductive approach to develop theory. The hypotheses are developed based on existing theories and expressed in operational terms or variables, and these hypotheses will be tested so that the outcome will confirm the theory or indicate the need for modifying, if it does not correspond to existing theories or ideas, at least in the context of this research.

The author's approach to theory development is deductive reasoning. The deductive approach of theory development involves developing theory from academic literature and designing a research strategy to test the theory (Saunders, Lewis and Thornhill, 2019). Furthermore, this research is explanatory in nature as the author has identified and wishes to explain the effects caused by one or more variables on the other variables, which in this study, are the CE during their past purchase its effect on future loyalty. To test these relationships the author has developed the specific boundary conditions in the form of hypothesis and objectives. Then appropriate data is collected from consumers in the context of smartphone purchase to test the hypotheses. Finally, the hypotheses are tested using statistical data analysis that provides meaningful conclusions whether that explains the effects or differences by either accepting or rejecting the hypothesis.

Although the author understands that inductive approach may provide better insights into the consumer perception and higher degree of certainty, the author intends to generalise the findings of this research onto a larger population and theory development is followed by data analysis rather than the other way around, which is associated with the inductive approach which led to the author adopting the deductive approach.

When formulating the research design, other methodological decisions were involved such as the method and time horizon involved in data collection. The choice of mono method quantitative data collection was made as this study examines the relationship between variables involved during smartphone purchase such as CE, CS and PSQ and variables such as channel choice and loyalty that describe the behavioural intentions through the collection of numerical data and statistical analysis of obtained data. Therefore, the demographic segment chosen to carry out this research is students in Ireland. Specifically, students who are pursuing or have recently completed a post-graduate program and have purchased a smartphone in Ireland are targeted. The reasons for choosing this target population is due to higher dispersion when compared to the other student population (Bryne, 2018) and also the consumers who have gone through the purchase journey in the Irish smartphone market would be of significant relevance for this study.

The author has chosen to conduct the data collection in a cross-sectional time frame, primarily due to lack of available time to complete the research. The longitudinal time frame was not chosen as the post-purchase stage technically includes the time from the purchase of a product until the need for next purchase arises (Lemon and Verhoef, 2016). However, in this study, the author has collected data from participants at the present point in their post-purchase journey and measure perception based on their recollection of prior events.

### **3.3 Research Strategy**

This research is explanatory in nature as it involves collection and analysis of data to explain the relationship between the variables, in this case, the customer experience, satisfaction and channel choice, which in turn, will answer the research questions. The strategy that will be used is survey as it would enable the collection of quantitative data from sample group (postgraduate students in Ireland) that represents the general population (students in Ireland) and providing a considerable control in the research process. Although it limits the findings due to restriction in the questions and responses, it does not significantly affect the scope of this study as it is deductive and explanatory research, as mentioned in the previous section. Therefore, data were collected through a survey in the form of a self-completed questionnaire by the respondents as it enables large amounts of data to be collected which can be analysed and interpreted coherently with the aims and objectives of this research.

The questionnaire was developed according to a series of steps. (1) Deciding what data needs to be collected. (2) Identifying scales of measurements used in the existing literature. (3) Designing individual questions (4) construction of the questionnaire.

Saunders, Lewis, and Thornhill (2019) recommend the usage of data requirements table to ensure necessary data is collected by identifying the type of variables required, the detail in which they must be measured.

**Objective 1: To determine if there is a difference in customer experience between online and offline customers**

Investigative question	Variable(s) required	The detail in which data measured	Relation to theory and key concepts
What is the difference in overall customer experience between customers who choose an online channel of purchase and those who choose offline channel?	Grouping variable indicating channel choice	Whether purchased online or offline	Verhoef and Lemon (2016) – customer experience differs with touchpoints throughout their journey
	Customer experience	Scale of measurement that includes key determinants of customer experience	Klaus and Maklan (2011) measuring service experience

**Table 2:** data requirements table – objective 1

The first objective in this research is to explain if the customer's choice of purchase channel affects their purchasing experience with their service provider.

According to Lemon and Verhoef (2016), customers come across various touchpoints throughout their journey and some of these touchpoints are actions taken by customers during the journey, which are not controllable by the service providers are defined as customer-owned touchpoints. Furthermore, the understanding of the customer's view from a multichannel perspective requires a focus on how customers interact with touchpoints offered by a firm and its influence on the customer journey with the firm. In this research, the customer's

choice of purchase channel is considered as a customer-owned touchpoint and how it affects the customer journey is analysed by measuring the overall customer experience of the participants with their chosen service provider.

Customer experience is a broader concept that provides a better understanding of the purchase journey (Lemon and Verhoef, 2016). Similarly, Klaus and Maklan (2011) state that customer experience is conceptually different from satisfaction and service quality to develop the EXQ scale which measures the different aspects that create the customer experience (Klaus and Maklan, 2013). Therefore, in this research, the EXQ scale is used to measure the customer experience and is compared between two groups of participants, one who has chosen the online channel of purchase and the other choosing physical store or offline channel to purchase their smartphones.

**Objective 2: To determine if the customer experience is affected due to perceived service quality and overall customer satisfaction**

Investigative question	Variable(s) required	The detail in which data measured	Relation to theory and key concepts
How satisfied are customers with their service provider?	Overall customer satisfaction	Very dissatisfied to very satisfied	Dagger; Sweeney; Johnson (2007)
Is there a relationship between customer experience, perceived service quality and overall satisfaction?	Overall customer satisfaction, overall customer experience and perceived service quality at each stage	OCS and CE already included. Service quality to be measured on an overall level	(Klaus and Maklan, 2013; Lemon and Verhoef, 2016)

**Table 3:** Data requirements table: Objective 2

In this research, the customer experience is conceptualised as the customer's overall perception, of their smartphone purchasing experience between the actual moment of purchase and the post-purchase stage, influenced by their evaluation of service quality and the combined level of satisfaction at present. Therefore, this research adopts Dagger, Sweeney and Johnson's (2007) measurement of service satisfaction to measure the overall customer satisfaction and the service quality measurement as previously mentioned to determine which of these factors are higher predictors of customer experience and explain their relationships.

**Objective 3: To determine how the customer experience affects future channel preference**

Investigative question	Variable(s) required	The detail in which data measured	Relation to theory and key concepts
Do the customers prefer to use the same channel of purchase for their next purchase?	Channel loyalty	How likely or unlikely are they to choose the same channel for next purchase	(Oliver, 1999; Ansari, Mela and Neslin, 2008)
	Switching behaviour	How likely or unlikely the customer changes their channel of purchase	Valarie A. Zeithaml, Leonard L Berry, & A. Parasuraman - 1996
How much is channel loyalty dependent on customer experience?	Customer experience	Customer experience scale (Already included)	Brun <i>et al.</i> , 2017

**Table 4:** Data requirements table: Objective 3

In this research, the author examines how the CE affects the future loyalty in smartphone purchase by measuring the customer's loyalty towards the purchase channel used in their current purchase, under two dimensions namely loyalty and switching behaviour by adopting Zeithaml, Berry and Parasuraman's (1996) loyalty measurement scale. Klaus and Maklan's (2013) study shows that, in some contexts, the measurement of service quality using the EXQ scale is a better predictor of loyalty than satisfaction or service quality and therefore, the author examines if the relationship is significant in the context of this study

**Objective 4: To determine if there is a difference in channel loyalty between online and offline channel customers**

Investigative question	Variable(s) required	Detail in which data measure	Relation to theory and key concepts
Which channel did the participant choose to purchase their smartphone?	Channel choice	categorical	
Does the level of loyalty differ with channel category?	Channel loyalty	Loyalty scale (already included)	(Neslin <i>et al.</i> , 2006; Ansari, Mela and Neslin, 2008)

**Table 5:** data requirements table: Objective 4

Existing literature on multichannel consumer behaviour suggests that providing multiple channels of purchase is generally increases the satisfaction of customers (Lemon and Verhoef, 2016). However, effective design of customer journey requires consistency and coherence across all touchpoints (Kuehnl, Jozic and Homburg, 2017). Furthermore, the research on channel choice implies that customer channel preference develops with evaluations during prior purchase and risk perceptions (Neslin *et al.*, 2006). However, lack of channel synergy may result in customers preferring one channel over the other, thereby affecting their future channel loyalty (Ansari, Mela and Neslin, 2008). Therefore,

this objective will determine if there is a difference in channel loyalty due to experience in using the channel during the previous purchase.

### **Identifying scales of measurement**

In consumer behaviour literature, there are several scales of measurement used by researchers to measure quantitative data from participants in the context of their research. In this research, since the variables to be measured have been identified, the author has identified and chosen scales that have been used in previous studies and widely accepted as valid measurements of the specific variables which have been measured using them. Based on the data requirements table, the key variables measured in this research are (1) Channel choice to categorize the participants (2) PSQ at both purchase stage and (3) post-purchase stage (4) Overall customer satisfaction (5) customer experience and (6) purchase channel loyalty.

Channel choice does not require any scales as it is a categorical variable. The service quality is viewed as the overall impression of the customers to the service offered by the provider as conceptualised by Taylor and Baker (1994) and their scale of measurement for service quality is adopted for this research, for both purchase and post-purchase stage. Service satisfaction is the measure of customer's relative level satisfaction or dissatisfaction due to quality of service provided to them and this research adapts Dagger, Sweeney and Johnson's (2007) measurement of service satisfaction to determine the overall satisfaction of the participants in this research. Klaus and Maklan (2011,2013) have developed the EXQ scale to measure the experience quality under four dimensions. However, the dimension of product experience will not be used for this research as it measures how important it is for consumers to have options in products and offers. It would be more relevant to include this dimension if the pre-purchase or decision-making phase of the journey is also viewed. Therefore, for this research EXQ scale has been adapted to measure overall customer experience under three dimensions. Finally, to the best of the author's knowledge, there are no significant scales of measurement or questionnaires found in academic literature, which measures purchasing channel loyalty or preference to use purchase channel. Therefore, the widely accepted loyalty



measurement scale by Zeithaml, Berry and Parasuraman (1996) has been adapted for this research under two dimensions namely loyalty and switching behaviour to determine how loyal the customers are to their purchase channel. Operationalisation of the measures was also described in section 2.5.2 as well.

### **Designing individual questions**

Majority of questions used in this research's questionnaire are either adopted or adapted from previously used questionnaires found in academic literature as mentioned in the previous subsection. However, minor changes were made to the questions to make it suitable for this research. For example, the statement "*Do more business with XYZ in the next few years*" used in the original study by Zeithaml, Berry and Parasuraman (1996) to measure the loyalty to a specific service provider was rephrased to "*Do more purchase using online/offline channel in the next few years*". The variables PSQ, OCS and channel loyalty were measured using a 7-point scale and the EXQ measured using a 5-point Likert scale (appendix B).

### **Constructing the questionnaire**

QuestionPro, the online survey tool was used to construct the questionnaire for collecting data in this research. The questionnaire consists of 34 questions in total. However, a filter question (Q6) used to differentiate participants based on their purchase channel choice, reduced the number of questions to be answered by each participant to 28, irrespective of channel choice.

Order and flow of the questionnaire are as follows. The first three questions are filter questions to ensure that the participants fit into the criterion for this research (postgraduate in Ireland who have purchased a smartphone in Ireland) and the responses from those who do not fit into the criterion were terminated. This was followed by the first of two categorical questions, asking the service provider chosen by participants to purchase their phone. The next question measured the overall satisfaction of the respondents with their service provider. This question was in the form of a matrix that required participants to provide their response to a set of statements on a scale of 1- Very satisfied to 7-

extremely satisfied. The next question is a filter and the second categorical question asking the purchase channel chosen by them. The next set of questions (Q7- Q18) measured the PSQ of customers, six questions (Q7-12) for online customers and six questions for offline customers (Q13-18) and the actual moment of purchase was measured separately along with the post-purchase stage. Then the CE was measured using 15 questions using a five-point Likert type scale by asking the respondents how strongly they agree or disagree with each statement. Finally, channel loyalty (Q34) was measured using a matrix question, like the satisfaction question.

All the questions were automatically coded and saved in by the QuestionPro. However, some questions, which consisted of negative statements were reverse-scored before data analysis so that they represent the intended values by the author.

The entire survey, including the introduction and thank you screen can be found at <https://www.questionpro.com/t/AQN7MZg5mf> or in appendix B.

### **3.4 Collection of Primary Data**

#### **3.4.1 Sources**

Before commencing the data collection, a pilot test was carried out for the survey with five colleagues of the author to test the face validity. The questions included in the pilot test were based on suggestions from Bell and Walters (2014, cited in Saunders, Lewis and Thornhill, 2019) to gain feedback such as clarity, layout, and interpretation by the participants. All the participants in the pilot test were confirmed by the author before the pilot test that they fit the target population of this research and they were not asked to provide their name in the pilot test to promote more honest feedback from them. Based on the feedback received, the suggestion provided to the author was to change the font style used in the questionnaire. Therefore, corresponding changes were made to make the questionnaire layout more legible and the survey went live (see appendix A).

The survey went live on 6<sup>th</sup> of April and lasted for 4 weeks and was closed on the 4<sup>th</sup> of May. The survey was delivered to potential participants on social media. Convenience sampling technique was used to collect data, by delivering the survey to potential participants on LinkedIn, one of the leading platforms where graduates are actively found and student groups on WhatsApp. All responses were anonymous and collected automatically on QuestionPro.

When the survey was closed on the 4<sup>th</sup> of May, a total sample size of 152 completed responses was obtained out of which only 147 were responses that were useable for analysis.

### **3.4.2 Access and Ethical Issues**

Participation in this research was completely voluntary and the participants could choose to withdraw from the survey at any time before completion without the need to give a reason. Also, all the responses are anonymous, and it is not possible to identify participants through the collected data. The data is stored on the cloud by the survey platform provider Questionpro, which stores data under the compliance to GDPR.

The respondents were informed about the purpose of the research, estimated time to complete the survey, confidentiality, voluntary participation and right to withdraw at any time along with the Email address and phone number of the author in case, the participants required further clarifications. Furthermore, by taking part in the research, the participants agreed that they were above 18 years old and understood the terms of participation. On the thank you page of the survey, the contact information of the author's college faculty was provided, in case any participant had concerns regarding the research. The welcome and thank you pages of the survey can be found in the appendix C&D.

### **3.5 Approach to Data Analysis**

Statistical analysis techniques were chosen to analyse and present data with the research question and objectives to guide the analysis. However, unexpected relationships may arise during analysis, which will not be discounted and may be implied as a future analysis area. Each objective of this research will be tested through hypotheses. Relationship testing such as correlation testing, to assess the strength of the relationship between a pair of

variables such as the relationship between channel loyalty and CE or effects such as that of OCS and PSQ on and CE by means of regression will also be carried out.

The following tests will be performed for the Hypotheses (mentioned in section 2.5.1)

**H1-** Tested using independent samples T-test

**H2-**Tested using multiple linear regression

**H3-** Tested using simple linear regression (bivariate)

**H4-** Tested using independent samples T-test.

### **3.6 Conclusion**

The author has adopted a critical realism philosophy with a deductive approach for this explanatory research, to examine how the customer's past smartphone purchase journey affects their future behavioural intentions through quantitative analysis of data collected. It is hoped that the analysis will provide better insights into the role of customer experience in the smartphone purchase journey.

## **4 Presentation and Discussion of the Findings**

### **4.1 Overview**

In this chapter, the findings of the primary data analysis will be presented and discussed. As mentioned in the previous section, the data was collected through an online survey using the software QuestionPro through social media. This section is structured as follows. First, assessment of reliability for the different scales used to measure the variables is discussed. Second, the statistical analysis of each hypothesis and its output is described with respect to the research objectives. Third, the overall findings of the data analysis are described. Finally, the conclusions that could be implied from the outputs are summarised.

The total number of completed responses is 152, however, only 147 responses were chosen as valid responses, either due to missing data or because they did not match the research criterion. The participants were primarily grouped based on their chosen channel of purchase when purchasing their smartphone, using the categorical question C2 (Q6 as shown in appendix B). The data obtained had a balanced number of participants, with 75 participants in the online channel group and 72 participants in the offline channel/physical store group. The data analysis was performed using SPSS statistics software.

### **4.2 Findings**

#### **Reliability test for scales**

Before analysing the relationship between different variables, all the scales used to measure each variable were tested for their reliability using the Cronbach's alpha test on SPSS. Previous have suggested that test output values of 0.7 and above as reliable (Claypool and DeCoster, 2004). Therefore, an alpha value of 0.7 was set as the threshold value for assessing the reliability of each scale. Furthermore, the confidence interval was set at 95% for all the

tests conducted in this research. Test results of all scales are summarised in Table 6

The OCS was measured using a five-item scale, with each item rated on a scale of 1(Strongly agree) to 7 (strongly disagree). The OCS score was calculated based on the sum of all five scores chosen by the participants, and none of the questions was reverse scored. The satisfaction scale is highly reliable with an alpha score greater than 0.9. Therefore, no changes were made to this scale and all the data measured in the scale were used for analysis.

The PSQ was measured under four variables namely, (1) PSQ at purchase stage for instore customers (2) PSQ at post-purchase stage for instore customers (3) PSQ at purchase stage for online customers (4) PSQ at post-purchase stage for online customers. Each variable was measured using three scale items, with one reverse-scored item for each variable.

Reliability test for the PSQ of in-store customers during the purchase stage indicated a marginally lower reliable score than the threshold value set at the beginning. However, as table 6 indicates, the reliability can be improved significantly if the reverse score item (REV1) is removed. Therefore, the item was removed. Other measures of PSQ also yielded similar results as the first PSQ measure and similarly, the reverse-scored items were removed to improve the scale's reliability.

As a result of the reliability analysis of PSQ scales, all variables that measured PSQ consisted of only two scale items and the overall PSQ at each stage was the sum of both scores. Furthermore, the questionnaire was designed to collect data at different stages of the purchase and separate online and instore customers. Therefore, two more variables were created namely, PSQ at purchase stage (PSQPUR) and PSQ at post-purchase stage (PSQPOST).

These two variables represent the PSQ at each stage of all participants, without differentiation based on channel category.

CE was measured using the EXQ scale (Klaus and Maklan, 2013) under three dimensions and fifteen items. Each scale items were measured on a five-point scale from 1(strongly disagree) to 5 (strongly agree). The CE is the overall sum

of all measures on the scale. Therefore, reliability test was performed, and the results showed high validity of the EXQ scale in this context with an alpha value higher than 0.8 and all items showing similar validity.

The final scale used in this research is the loyalty scale. The loyalty scale was used to measure the channel loyalty of the participants under two dimensions, loyalty (with 5 items) and switching behaviour (2 reverse-scored items) and the overall channel loyalty is the sum of both loyalty and switching behaviour. However, unlike the PSQ measurements, the loyalty scale showed a reliable alpha value of 0.787. Although the results indicate that overall reliability can be improved if the reverse score items are removed, the author decided not to remove the items as the overall scale was reliable.

Scale name	Number of items	Cronbach's Alpha	Cronbach's alpha if item(s) deleted	Items deleted
Overall customer satisfaction (OCS)	5	0.921		
PSQ during purchase stage for instore customers	3	0.683	0.857	REV1 (question 7)
PSQ during post-purchase stage for instore customers	3	0.648	0.861	REV2 (question 10)
PSQ during purchase stage for online customers	3	0.523	0.842	REV3 (question 13)
PSQ during post-purchase stage for online customers	3	0.653	0.809	REV4 (question 16)
Customer experience (CE)	15	0.833		
Channel loyalty	7	0.787		

**Table 6:** Summary reliability test of scales

#### 4.2.1 **Objective 1: To determine if there is a difference in customer experience between online and offline customers**

For objective 1, independent samples T-test was performed. To determine if the CE is affected due to channel choice, the T-test was performed using the mean score of CE between the two groups, one being the online channel customers and the other as the offline channel customers.

The Hypothesis1(H1) was tested for this objective using the T-Test. Meyers, Gamst and Guarino (2013) state that, the assumptions required for T-test are as follows (1) The observations are independent (2) The dependent variable is normally distributed and (3) Homogeneity of variance. Therefore, the normality and variance tests were carried out before performing the T-test. Furthermore, the data collected are assumed to be independent by the author.

Tests of Normality							
		Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	CAT2	Statistic	df	Sig.	Statistic	df	Sig.
EXQ	1	.104	75	.043	.977	75	.195
	2	.134	72	.003	.956	72	.013

a. Lilliefors Significance Correction

**Table 7.1:** Normality test H1

The preliminary normality test for the distribution of values (CE) for the two categories implied that the CE for the participants who used online purchase are normally distributed, whereas the values were not for the participants who used offline channel of purchase (table 7.1). This may be due to the presence of outliers as shown in figure 8. However, the outliers were not removed as they were not significantly different from the interquartile range and T-test is a robust statistic method that can tolerate violation of normality and equality of variance assumptions (Havlicek and Peterson, 1974) and researchers can choose not to remove outliers in questionnaire data when using such robust statistics (Zijlstra, van der Ark and Sijtsma, 2011). Therefore, T-test was conducted for H1 with the violations of these assumptions.



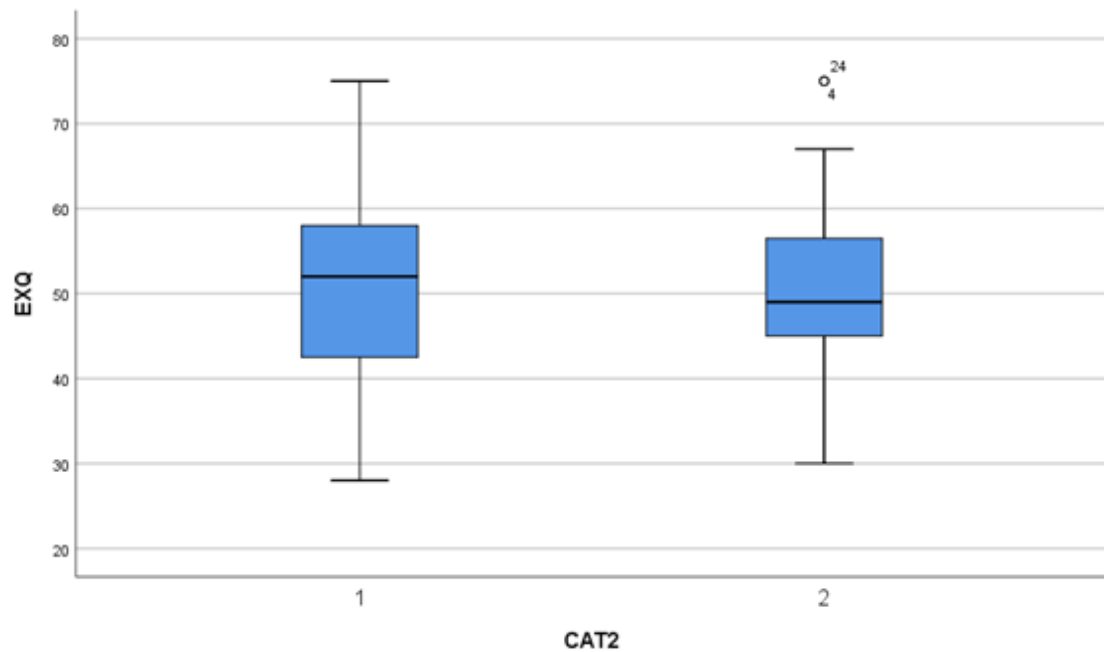


Figure 9: Outliers test H1

		Levene's Test for Equality of Variances					t-test for Equality of Means		95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
EXQ	Equal variances assumed	6.224	.014	-.405	145	.686	-.624	1.540	-3.669	2.420
	Equal variances not assumed			-.407	139.576	.684	-.624	1.533	-3.655	2.406

Table 7.2: Output H1

As shown in Table 7.2, the Levene's test of equality had a significance value of  $p < 0.05$ , therefore the equality of variance is not assumed. Furthermore, the overall significance value for the independent samples T-test shows that there is no significant difference between the mean CE scores of the online channel customers ( $M = 49.99$ ,  $SD = 10.358$ ) and offline channel customers ( $M = 50.61$ ,  $SD = 8.134$ ) groups;  $t(139.576) = -.407$ ,  $p = .684$

The results of T-test performed for objective 1 implies that the H1 should be rejected and the null hypothesis H1o - ***There is no significant difference between customer experience of online and offline channel customers*** should be accepted.

Although the initial T-test implies that there is no significant difference in CE between the two groups, the author examined if there is maybe a presence of a difference between the two groups by determining the effect size using power score. However, there was a small effect size of 0.066, calculated using

$$\text{Cohen's } d = (M_2 - M_1) / SD_{\text{pooled}}$$

With a power score of 0.0872 which indicates that the probability of rejecting the null hypothesis even with larger sample size is only about 8.7 %. Therefore, it is further implied that H1 should be rejected.

#### **4.2.2 Objective 2: To determine if the customer experience is affected due to perceived service quality and overall customer satisfaction**

The hypothesis H2 was tested for the second objective. To determine if the CE is affected by the PSQ and OCS of customers, the author decided to use multiple regression analysis to test effects of variables, as multiple regression will determine the amount of variance of the independent variable (CE) caused by the predictor variables (PSQ and OCS)(Meyers, Gamst and Guarino, 2013).

#### **Assumption tests for H2**

The following assumption tests were carried when performing the multiple linear regression for H2

1. Independence of observations- The Durbin Watson test was performed to check if the assumption of independent observations is violated. The output value obtained was close to 2, therefore, this assumption was not violated (table 8.1).

2. Multicollinearity- All the correlations obtained had a value in between .7 and .3, therefore, it is implied that there is no multicollinearity. (table 8.3)
3. Normal distribution – The scatter plot indicated a fairly even spread of values along the normality line, therefore the normality of values is not violated.
4. Casewise diagnostics were performed to identify outliers that affect the analysis, but no significant outliers were identified.

## Output H2

The Pearson's correlation output indicated higher and similar levels of correlation of CE with the Perceived service quality at the post-purchase stage (PSQPOST) and overall customer satisfaction (OCS), and relatively lower correlation with the perceived service quality at the purchase stage (PSQPUR). Where PSQPUR = 0.441; PSQPOST = 0.677 & OCS= 0.657.

Model Summary <sup>b</sup>										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change	Durbin-Watson
						F Change	df1	df2		
1	.716 <sup>a</sup>	.513	.503	6.564	.513	50.191	3	143	.000	1.808

a. Predictors: (Constant), PSQPOST, PSQPUR, OVSAT

b. Dependent Variable: EXQ

**Table 8.1:** Output H2

The summary output of the model yielded an R square value of 0.513 and an adjusted R square value of 0.502. Therefore, it can be implied that about 50% of the variance in CE can be explained using the regression model used in this test. That is, the change in CE can be explained when considering that PSQPUR, PSQPOST & OCS affect the CE (Table 8.1). Furthermore, the ANOVA table (8.2) indicates an *F* value of 50.191, with a significance of  $p < .001$ . From this, it can be further implied that the model accounts for a significant amount of variance in CE, which can be represented as,  **$F(1,143) = 50.191, p < .001$**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6488.374	3	2162.791	50.191	.000 <sup>b</sup>
	Residual	6162.048	143	43.091		
	Total	12650.422	146			
a. Dependent Variable: EXQ						
b. Predictors: (Constant), PSQPOST, PSQPUR, OVSAT						

**Table 8.2:** Model significance H2

Although the overall regression is reliable, all the predictors were not significant in determining the variance in CE. Only the PSQPOST and OCS were identified as significant predictors, whereas the PSQPUR, with  $B = -.469$ ,  $p = .176$ , is not a significant predictor of CE. This may be due to relatively higher levels of prediction by the other two variables (Table 8.3).

Coefficients <sup>a</sup>											
Model	Unstandardized Coefficients			Standardized Coefficients Beta	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error					Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	20.300	2.943		6.899	.000					
	OVSAT	.622	.156	.365	3.990	.000	.657	.317	.233	.406	2.462
	PSQPUR	-.469	.345	-.111	-1.359	.176	.441	-.113	-.079	.508	1.969
	PSQPOST	1.898	.392	.476	4.843	.000	.677	.375	.283	.353	2.835
a. Dependent Variable: EXQ											

**Table 8.3:** Output H2

Overall, since the model is significant, it can be concluded that the null hypothesis H2o can be rejected and the alternate hypothesis H2 ***“There will be a significant prediction of customer experience by service quality at purchase stage, service quality at the post-purchase stage and Overall customer satisfaction”*** can be accepted.

#### 4.2.3 **Objective 3: To determine how customer experience affects future channel loyalty**

##### **Assumption tests for H3:**

The following assumption tests were conducted during the analysis of H3, which are

1. Test for the independence of observations was done, and the test statistic was close to 2, therefore, this assumption was not violated.
2. Normality of distribution test was done to check if there is a normal distribution of values in CE and channel loyalty values. The scatter plot showed a fairly normal distribution. Therefore, the assumption of normal distribution was not violated (figure9).

Model Summary <sup>b</sup>										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change	Durbin-Watson
						F Change	df1	df2		
1	.564 <sup>a</sup>	.318	.313	5.991	.318	67.607	1	145	.000	1.958

a. Predictors: (Constant), EXQ  
b. Dependent Variable: OVRLOY

**Table 9.1: Output H3**

To analyse the relationship between CE and channel loyalty, hypothesis 3 (H3) was created to test the effect of CE on channel loyalty. Simple regression is used to determine the prediction of one variable based on the other (Galton 1888, cited in Meyers, Gamst and Guarino, 2013). Therefore, the author has chosen to determine the variance caused by CE on channel loyalty to characterize their relationship.

The descriptive statistics implied that, in general, both Channel loyalty and CE were higher than neutral among participants, with mean channel loyalty of 31.97 on a scale of 7 to 49, and a relatively higher level of customer experience with a mean value of 50.29 on a scale of 15 to 65. Also, the CE and channel loyalty were positively correlated, with a statistically significant Pearson's correlation value of 0.564. Furthermore, the **R squared value of 0.318, adjusted R square value of 0.313** indicates the performance of the overall model in predicting the relationship (table 9.1).

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2426.538	1	2426.538	67.607	.000 <sup>b</sup>
	Residual	5204.292	145	35.892		
	Total	7630.830	146			

a. Dependent Variable: OVRLOY

b. Predictors: (Constant), EXQ

**Table 9.2:** Model significance H3

The statistical significance of the regression model as shown in the ANOVA table 9.2 indicates that  **$F(1,145) = 67.607$ ;  $p < 0.001$** . Therefore, the model is statistically significant, and the regression effect is worth examining. Furthermore, the coefficient values (B values) 9.940 as constant and CE value .438 implies that the increase in one standard unit of CE is associated with an increase in Channel loyalty of 0.438 units. Therefore, the standardized regression model can be concluded as

**Channel loyalty = 9.940 + 0.438 (CE)**

Coefficients											
Model		Unstandardized Coefficients		Standardized Coefficients		Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta	t		Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	9.940	2.724		3.649	.000					
	EXQ	.438	.053	.564	8.222	.000	.564	.564	.564	1.000	1.000

a. Dependent Variable: OVRLOY

**Table 9.3:** Output H3

From the linear regression output obtained, we can conclude that there is a significant amount of variance in channel loyalty caused by the CE. Therefore, the null hypothesis H3o can be rejected and the alternate hypothesis H3 ***“There is a significant variance in channel loyalty caused by CE”*** can be accepted

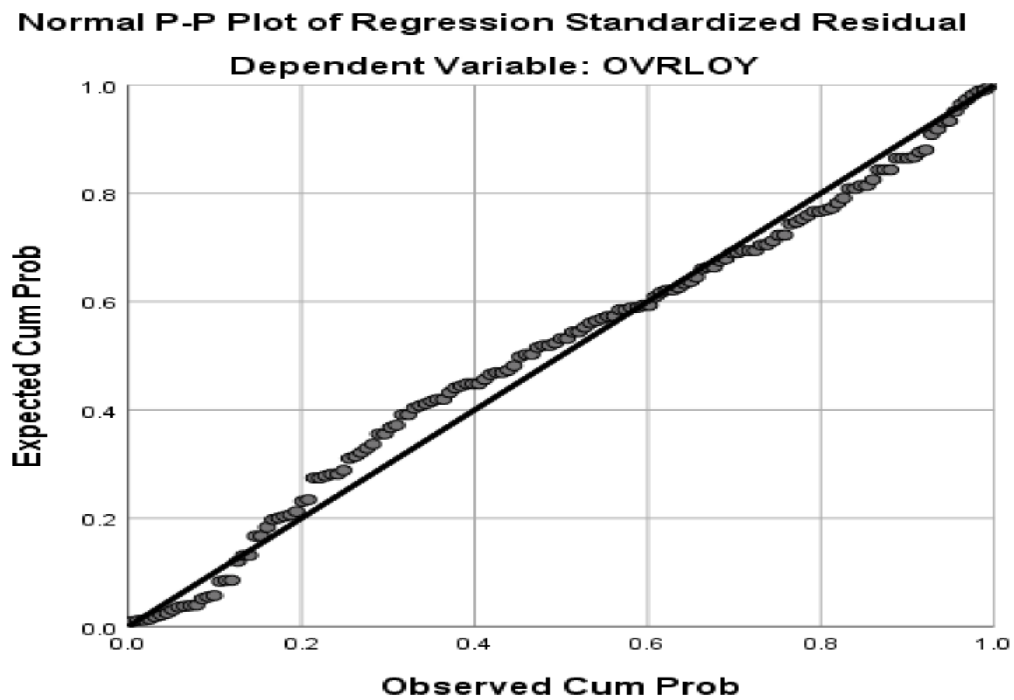


Figure 10: normality test for H3

#### 4.2.4 **Objective 4:** To determine if there is a difference in loyalty between online and offline customers

Similar to objective 1, independent samples T-test and normality test were performed for this objective. To determine if there is a difference in the mean channel loyalty scores between online and offline customers, the T-test was carried out using Channel loyalty as the dependent variable and the channel category (C2) as the independent variable. However, the normality test was not similar to that of H1 testing.

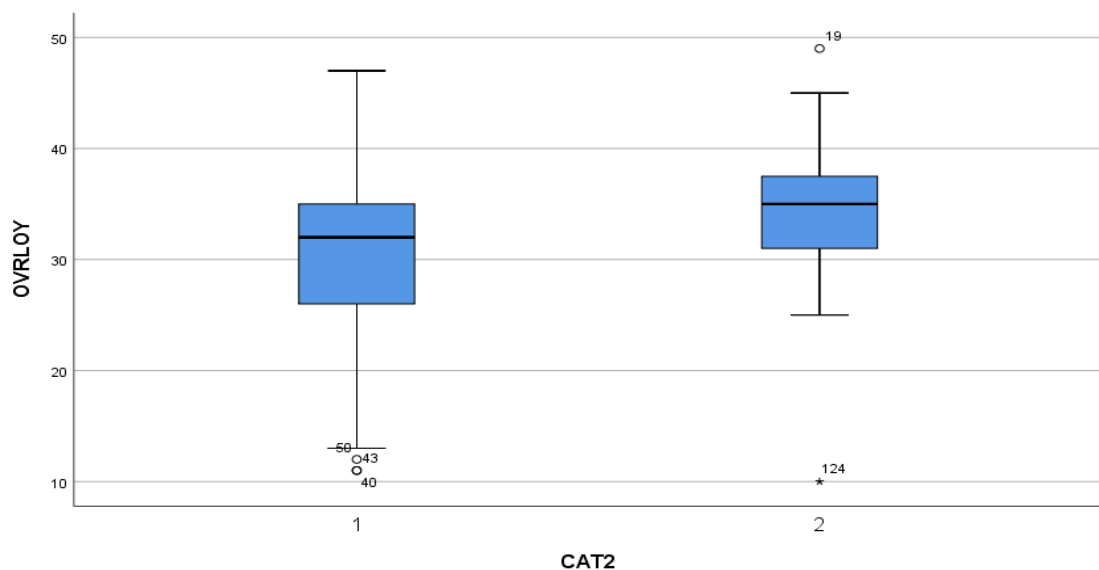
For Hypothesis4 (H4), the normality test conducted before the T-test indicated a significance value  $p < 0.05$  for both groups (Table 10.1 ) which implies that normal distribution is not assumed, or in other words, the channel loyalty data was not normally distributed across both groups of participants. However, unlike the normality test in objective 1, here, some outliers were significantly different from the interquartile range (figure 10). Therefore, some outliers were removed to test for normality again.

#### Tests of Normality

OVRLLOY	1	.201	75	.000	.907	75	.000
	2	.104	72	.052	.914	72	.000

a. Lilliefors Significance Correction

**Table 10.1:** Normality test H4



**Figure 11:** Outliers test H4

As the figure indicates, the most extreme outlier was case number 124 in group 2 and number 40 in group 1. Therefore, both these cases and their values were eliminated to check if there is a significant difference in normality after eliminating them (table 10.2). However, elimination of the outliers did not yield any significant difference in normality, as only group 2 showed a difference in normality. Therefore, the author has decided not to exclude the cases and T-



test was performed with violation of normality and equality of variance due to its robustness (Havlicek and Peterson, 1974).

Tests of Normality							
	CAT2	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
OVRLOY	1	.199	74	.000	.911	74	.000
	2	.100	71	.076	.973	71	.121

a. Lilliefors Significance Correction

**Table 10.2:** Normality test H4

T-test conducted for testing H4 showed that there is a significant difference in mean channel loyalty between online channel customers (M= 29.75, SD= 8.113) and the offline channel customers (M=34.28, SD= 5.316) groups.

**t (128.259) = -4.021, p< 0.001**

Independent Samples Test									
		Levene's Test for Equality of Variances		t-test for Equality of Means					
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference Lower Upper
OVRLOY	Equal variances assumed	13.957	.000	-3.988	145	.000	-4.531	1.136	-6.777 -2.285
	Equal variances not assumed			-4.021	128.259	.000	-4.531	1.127	-6.761 -2.301

**Table 10.3:** Output H4

Therefore, the null hypothesis was rejected and the alternate hypothesis *H4- “There is a difference in channel loyalty between online and instore customers”* was accepted. Furthermore, to verify the robustness of the test, the Cohen’s d effect size was calculated. The result indicated a medium effect size  $d= 0.660485$ , which further implies that the difference in the mean channel loyalty between the two test groups is significant (Vacha-haase and Thompson, 2004).

### **4.3 Discussion**

The primary aim of this research is to examine the role of CE in the purchase journey, in a multichannel context such as smartphone purchase. Data analysis was conducted using the data obtained from the online survey created by the author and delivered on social media. A total of 152 completed responses and 147 useable responses was collected and analysed. The primary data analysis was performed by testing the four hypotheses developed by the author, corresponding to each research objective.

In a multichannel purchase environment, the customer purchase journey differs according to the touchpoints they come across (Lemon and Verhoef, 2016) and their evaluations of the different channel determine their experience with the brand or service provider (Kuehnl, Jozic and Homburg, 2019). However, the specific relationship between purchase channel choice in determining the customer experience is not well understood in the literature. Therefore, The purpose of objective 1 is to determine if the CE differs between customers who purchased their smartphone through online channel and those who purchased through an offline channel or at a physical store. To determine if the difference in CE arises due to channel used in purchase and post-purchase stage, H1 was tested using independent samples T-test. However, the test results implied that H1 must be rejected, thereby implying that the Customer's evaluation of purchase experience does not differ between the two groups of customers. Similarly, the extent to which CE is affected due to previously explored constructs of purchase is not well defined in the literature (Klaus and Maklan, 2013). Therefore, objective 2 determines if the CE is determined by the PSQPUR, PSQPOST and OCS. The result of H2 test, conducted through multiple linear regression implies that the overall model of CE, with the other three variables as predictors, is significant and therefore, it can be interpreted that the CE is affected by PSQPUR, PSQPOST and OCS.

CE is a broader concept than PSQ or CS as it is formed throughout the purchase journey (Lemon and Verhoef, 2016) and it can be advocated as a better determinant of future preferences of customers (Maklan and Klaus, 2011; Klaus and Maklan, 2013). Therefore, the purpose of objective 3 is to determine if the CE affects future channel loyalty of customers. The linear regression

conducted for H3 implies that there is a strong relationship between CE and channel loyalty. Furthermore, the author wanted to test if the loyalty effects are different across channels as channel choice mediates the relationship between CE and loyalty (Brun *et al.*, 2017). Therefore, objective 4 determine the difference in loyalty effects of channel choice by customers. The independent samples T-test for H4 indicates that there is a significant level of difference in loyalty towards the purchase channel used in the past smartphone purchase. Specifically, the results indicated relatively higher levels of channel loyalty among offline or physical store customer than online channel purchasers.

#### **4.4 Conclusion**

In this chapter, the author has presented and discussed the finding of quantitative data analysis, from the data collected through an online survey to measure the customer's perception of the purchase journey, rather than from the perspective of firms. The analysis conducted, corresponding to the research objectives has provided the following insights about the role of CE in the smartphone purchase journey (1) CE does not differ due to channel in a multichannel purchase environment (2) CE is affected by PSQ and OCS (3) channel loyalty is affected by CE.

From the analysis of primary data, it can be concluded that, in the context of smartphone purchase in Ireland, CE is a broader construct that has a significant relationship with the other constructs. In other words, the PSQ during both the moment of purchase and post-purchase stage and the OCS influences the CE. Furthermore, the CE has a significant impact on the future preference of customers in terms of channel loyalty, therefore it can be implied that the channel choice of customers is affected due to their prior purchasing experience with the channel.

The findings from testing H1 suggest that the CE does not significantly differ due to the channel choice of customers. This indicates that, in a multichannel purchase environment such as the smartphone purchase, although the purchase journey differs due to the chosen channel and related touchpoints, the customer's evaluation of their purchasing experience is similar, irrespective of

their channel choice. However, the channel loyalty of customers was found to be different between the two groups of customers (online/offline channel purchasers). This difference in channel loyalty between the two groups indicate that CE may not the only determinant of Channel loyalty (as shown by H3), and other evaluations of customers such as PSQ or OCS may also affect the channel loyalty.

## 5 Concluding Thoughts on the Contribution of this Research, its Limitations and Suggestions for Further Research

A number of findings emerged from this study implies the importance of customer experiencing the purchase journey in the context of smartphone purchase in Ireland, which will be discussed in this chapter. The findings contribute to research in two ways. Firstly, some findings correspond to findings from widely researched areas. Secondly, some findings are novel as it contributes to relatively unexplored areas of research. Some practical implications are also discussed In this chapter. Furthermore, implications from this research to future research directions are also discussed.

### 5.1 Implications of Findings for the Research Questions

In this research, the author attempted to explain the following questions

- 1)How does the purchase channel choice affect customer experience?*
- 2) How is the customer experience related to other evaluations of customers during their purchase journey?*
- 3) How does experience during past purchase affect future channel preference?*

The purpose of the first question is to examine if the customer's choice of purchase channel is a critical touchpoint in determining the CE. In answering this research question, the author analysed the relationship between purchase channel choice and CE. The findings of this analysis are similar to the implication from the literature review, which suggest that, although the CE differs across the different channels in terms of service quality levels (Montoya-Weiss, Voss and Grewal, 2003) and lack of consistency across touchpoints (Homburg, Jozić and Christina, 2017), the customers synthesise multichannel experience as an overall assessment across touchpoints (Maklan and Klaus, 2011). Therefore, the difference in CE between different channels is shrinking (Lemon and Verhoef, 2016). Coherently, this research findings suggest that

there is no significant difference in CE of customer due to their choice of purchase channel. Thus, it can be implied that the CE is not significantly affected due to channel choice when purchasing a smartphone.

Existing CE literature has advocated the need to understand the relationship of CE with other narrow customer perceptions of customers such as PSQ and satisfaction (Maklan and Klaus, 2011; Lemon and Verhoef, 2016). Therefore, the second research question analysed the model of CE, where PSQ and CS are its antecedents. The results suggest that CE is predicted by PSQ, at both purchase and post-purchase stage, and the OCS. Therefore, it can be implied that CE is a broader construct than PSQ and CS. This is in line with other research findings which suggest that CS does not truly capture the CE as its effect diminish over time (Koenig-Lewis and Palmer, 2008) and that experiential measures of customer perception may provide a holistic view.

Finally, this research analysed the relationship between CE and behavioural outcomes, in terms of purchase channel loyalty. The final research question examined channel loyalty in two ways. First, the effect of CE on channel loyalty was examined, the results of which confirmed that CE significantly affects the purchase channel loyalty. This extends the research findings that imply a positive relationship of CE with loyalty (Maklan and Klaus, 2011; Klaus and Maklan, 2013; Kuehnl, Jozic and Homburg, 2019) and positive behavioural intention (Lemke, Clark and Wilson, 2011). Furthermore, this research also examined if the loyalty effects differ between the two channels used as indicated by prior research (Ansari, Mela and Neslin, 2008; Brun *et al.*, 2017) and found relatively higher levels of loyalty among offline channel or instore customers. However, as previous analysis in this research show that CE does not differ between channels, this findings also suggest that other factors may be influential in determining the channel loyalty such as perceived risk associated with the channels (Gupta, Bo-chiuan Su and Walter, 2004).

## **5.2 Contributions and Limitations of the Research**

### **Contributions**

The primary purpose of this research is to contribute to consumer behaviour research by analysing the role of CE in the smartphone purchase journey. The findings of this research provide three major contributions specifically in the area of research on customer experience and multichannel customer behaviour.

Firstly, this research has contributed to the existing literature on understanding CE in a multichannel purchase journey. Specifically, in the multichannel purchase environment such as the smartphone purchasing context, it is found that the customers' evaluation of their experience with the service provider is not affected by their chosen channel of purchase. In other words, although the purchase journey may differ between online and offline customers due to varying touchpoints, the customer's overall perception about the purchase experience is not affected by the difference in touchpoints experienced during the journey.

Secondly, this research has contributed to the shifting focus of research towards understanding customer experience. Specifically, this research has examined the exact nature of the widely researched perception customers namely perceived service quality and satisfaction with their perception of service experience. The findings support that CE is a broader construct than PSQ and satisfaction perception and that CE is evolved from these two perceptions.

Finally, this research has contributed to research on loyalty effects of CE. By analysing the effect of customer's perception of the service experience on channel loyalty, this study extends previous research that suggests CE may be a better predictor of loyalty intentions. Furthermore, this study also contributes to understanding channel loyalty by finding that offline channel customers have higher levels of loyalty.

### **Limitations**

The first limitation of this research relates to the data collected. Due to time constraints, the author was able to collect data from over four weeks only and

on a cross-sectional time horizon. Therefore, this research could have benefitted from larger sample size and data collected on a longitudinal horizon since this research focuses on both the purchase and post-purchase stage.

The second limitation of this research is due to the scales of measurements used to measure the different variables. Specifically, the limitation applies to PSQ and channel loyalty as both variables were measured on an overall level rather than specific dimensions of service quality such as suggested in SERVQUAL (Parasuraman, Zeithaml and Berry, 1988; Parasuraman, Zeithaml and Malhotra, 2005) or SERVPERF (Cronin Jr. and Taylor, 1992). Similarly, loyalty can be measured under different levels as suggested by Oliver (1999) and measured using service loyalty measure (El-Manstrly and Harrison, 2013). Although the justification was provided in section 2.5.2 about the choice of measurement scales, the research could have benefitted by adopting more detailed scales.

Thirdly, the research participant criterion is limited to postgraduate students, who have purchased a smartphone in Ireland. Although postgraduate students represent a significant amount of student population, insights gathered from other student populations could be useful in further generalising the findings.

Finally, this research has approached to understand customer perception only through quantitative data analysis. However, customer perception cannot be completely understood purely by quantitative data. Therefore, qualitative or mixed methods research approach may uncover hidden insights, and maybe even contradicting results when compared to this research.

### **5.3 Recommendations for Practice**

Although the research finding has its limitations, some findings could be valuable and used in practice. The first research question revealed that CE does not between channels. This implies that the smartphone service providers, in general, can maintain consistency and coherency across all touchpoints in both the channels of purchase. However, as the channel loyalty was found to be higher among offline channel customers, practitioners must look into which areas of service in the online channel needs improvement and allocate resources across the different channels according to the customer needs.



Furthermore, it is important to provide similar or higher levels of service quality to customers during the actual moment of purchase and the post-purchase stage as the findings indicate that the PSQ at both stages affects the CE. Finally, for the service providers that operate only in a single channel of purchase, it must be ensured that a high level of CE is delivered as channel loyalty is significantly affected by the CE. Therefore, failure to provide an expected level of CE by customers may result in customer switching to alternate service providers.

#### **5.4 Recommendations for Future Research**

As mentioned in the limitations, future researchers may adopt a qualitative or mixed methods approach in examining the role of CE in the purchase journey on a longitudinal time frame. Furthermore, the generalisability of this research is limited to smartphone purchasing context in Ireland by students. Therefore, future researchers may attempt to expand the scope of the findings to wider demographics or in the context of different smartphone markets.

To examine the CE with a firm or service provider, researchers must consider all three phases of the purchase journey as CE is formed due to evaluation across all touchpoints associated with the firm. Although it may not be practical to identify and examine the effects of all touchpoints, researchers may examine the effects of touchpoints owned by the service provider, as done in this research. Therefore, future researchers may examine the role of customer experience in the multichannel purchase environment across all three phases of the purchase journey.

The findings of this research indicate that customer experience affects channel loyalty and that channel loyalty differs among online and offline customers. However, it was also found that customer experience does not differ between the two groups of customers. Therefore, future researchers must examine which other variables are responsible for determining channel loyalty as this research did not analyse the effects of other variables on channel loyalty.

#### **5.5 Final Conclusion and Reflections**

This study found that in a multichannel purchase environment, the customer experience affects the future purchasing preference of customers in terms of

channel loyalty. It also found that despite similar experience evaluated by customers between channels used in the purchase and post-purchase stages, the channel loyalty, however, is higher among offline channel or physical store customers. Furthermore, this study revealed that the exact nature of customer experience with other perceptions of customers can be conceptualised as the perceived service quality and satisfaction being the antecedents of customer experience. However, it is not clear why there is a difference in channel loyalty among the two groups of customers as the findings suggest that customer experience is not the only determinant of channel loyalty when purchasing a smartphone. Therefore, future researchers can explore the other determinants of channel loyalty, in conjunction with customer experience. Practitioners could also examine the service process in the channel that exhibits lower levels of loyalty to identify areas that require improvement to retain customer loyalty.

Future researchers also need to consider that the findings are limited to applications only in the context of smartphone purchase by students in the Irish market. Also, more detailed scales of measures can be adopted by researchers to measure the variables present in the conceptual model. Furthermore, a mixed-method or qualitative research approach on a longitudinal time horizon, measuring customer perceptions across all stages of the purchase could provide a relatively more robust or contradicting insights.

The author's reflection is as follows *"The scope of this research may not be substantial in guiding future research, and even less so, for practitioners. This is due to my decision to focus on two different aspects of consumer behaviour, one being customer experience and the other being multichannel customer behaviour. Hence, I believe that narrowing down my focus to either one of these aspects would have provided a more robust understanding of the research topic. This indicates my lack of understanding of the whole process of research. However, at the beginning of this research, I was inexperienced with business research, but due to my experience in undertaking this study, I was able to gain essential knowledge and skills that would enable to deliver superior quality in future research projects"*.

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## Appendices

### Appendix A – Pilot study feedback

Q.NO	Question	Respondent 1	Respondent 2	Respondent 3	Respondent 4	Respondent 5
1	How long did it take for you to complete the survey? please mention	7-8 minutes	7 minutes	8mins	15 minutes	8/9 mins
2	Please provide your feedback on the clarity of the instructions and questions	Very clear	Very good	Quite straight to the point.	Good	Good
3	Did you feel that any question(s) was unclear or had more than one clear meaning? If so, which questions?	No	No	No. Questions were clear.	No	No
4	Did you feel uneasy about answering any question(s) , if so , please mention.	No	No	Most of the questions were relatable.	No	No
5	In your opinion, is there any major topics omitted in the survey?	No	No	Nothing comes to mind.	No	No
6	Was the overall layout clear and attractive? or any other comments about the design and aesthetics of the survey?	Yes	Yes, except that the preface and epilogue could've been in a more professional font	The font style of the introductory part was hard to read.	Yes	Font hard to read in introduction
7	Any other comments?	No	Does this study concentrate only on the Millennials?	All the best in your research.	No	No

## Appendix B – Survey questionnaire format

**Q.1** Are you currently a student or recently graduated? (FILTER QUESTION 1)

1. Yes
2. No

**Q.2** What is your level of study? (FILTER QUESTION 2)

1. Undergraduate or lower
2. Postgraduate/masters/PG. Diploma
3. Research/PhD/doctorate
4. Other (please specify) \_\_\_\_\_

**Q.3** Have you purchased a smartphone in Ireland? (FILTER QUESTION 3)

1. Yes
2. No

**Q.4** Which service provider did you purchase your smartphone from? (CATEGORICAL QUESTION C1)

1. Vodafone
2. Three
3. Eir
4. Curry's PC world
5. Carphone warehouse
6. Other (please specify) \_\_\_\_\_

### OVERALL CUSTOMER SATISFACTION

**Q.5** Please rate how strongly you agree or disagree with each of the following statements

	1 (Strongly disagree)	2	3	4	5	6	7 (strongly agree)
My feelings towards XYZ are very positive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel good about coming to XYZ for purchasing my smartphone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall, I am satisfied with XYZ and the service they provide	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel satisfied that XYZ produces the best results that can be achieved for me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The extent to which XYZ has produced the best possible outcome for me is satisfying.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q.6** Which channel did you use to purchase your smartphone (CATEGORICAL QUESTION C2)

1. Online channel / online store
2. Offline channel / physical store

### PERCEIVED SERVICE QUALITY (PHYSICAL STORE CUSTOMERS)

Answer the following questions based on how you feel about the service provided to you when you actually purchased the smartphone at the store. Consider factors such as the store's visual appeal, the response from employees, personal attention and assurance.

**Q.7.** How strongly do you agree or disagree with the below statement?

	1	2	3	4	5	6	7
I believe that the general quality of XYZ 's services is low	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q.8** How strongly do you agree or disagree with the below statement?

	1	2	3	4	5	6	7
Overall, I consider XYZ 's services to be excellent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q.9** Provide a rating that would most accurately describe your response to the statement 1= Poor 7= Excellent

The quality of XYZ 's services is generally	<input type="checkbox"/>

Answer the following questions based on how you feel about the service provided to you, after you have purchased the smartphone. Consider factors such as the store's response to your complaints or issues, reliability, assurance given and empathy.

**Q.10** How strongly do you agree or disagree with the below statement?

	1	2	3	4	5	6	7
I believe that the general quality of XYZ 's services is low	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q.11** How strongly do you agree or disagree with the below statement?

	1	2	3	4	5	6	7
Overall, I consider XYZ 's services to be excellent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q.12** Provide a rating that would most accurately describe your response to the statement1= Poor7= Excellent

The quality of XYZ 's services is generally	<input type="checkbox"/>

### PERCEIVED SERVICE QUALITY (ONLINE CUSTOMERS)

Answer the statements based on how you feel about your smartphone purchase from XYZ's website. Consider factors such as ease of transaction, organisation of product information and website reliability.

**Q13.** How strongly do you agree or disagree with the below statement?

	1	2	3	4	5	6	7
I believe that the general quality of XYZ 's services is low	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q.14** Provide a rating that would most accurately describe your response to the statement1= Poor7= Excellent

The quality XYZ 's services is generally	<input type="checkbox"/>

**Q.15** How strongly do you agree or disagree with the below statement?

	1	2	3	4	5	6	7
Overall, I consider XYZ 's services to be excellent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Answer the following questions based on how you feel about XYZ's service, with respect to how they

deliver products, protect personal information, customer support and response to your complaints

**Q.16** How strongly do you agree or disagree with the below statement?

	1	2	3	4	5	6	7
I believe that the general quality of XYZ 's services is low	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q.17**

	1	2	3	4	5	6	7
Overall, I consider XYZ 's services to be excellent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q.18** Provide a rating that would most accurately describe your response to the statement1= Poor7= Excellent

The quality of XYZ 's services is generally	<input type="checkbox"/>

## CUSTOMER EXPERIENCE

**Q.19** I am confident in XYZ's expertise.

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

**Q.20** The whole process with XYZ was easy

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

**Q.21** XYZ will look after me for a long time

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

**Q.22** I stay with XYZ because of my past dealings with them

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree

5. Strongly agree
6. NA

**Q.23** I have dealt with XYZ before so getting what I needed was really easy

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree
6. NA

**Q.24** XYZ give(s) independent advice

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

**Q.25** XYZ was flexible in dealing with me and looked out for my needs

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

**Q.26** XYZ keeps me up to date

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

**Q.27** XYZ is a safe and reputable company.

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

**Q.28** The people at XYZ have good people skills.

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

**Q.29** Staying with XYZ makes the process much easier.

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

**Q.30** XYZ gives me what I need swiftly.

1. Strongly disagree
2. Disagree
3. Neutral

4. Agree
5. Strongly agree

**Q.31** I prefer XYZ over an alternative provider

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

**Q.32** The people at XYZ can relate to my situation.

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

**Q.33** XYZ deals with me correctly when things go wrong.


1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

#### **CHANNEL LOYALTY**

**Q.34** Please indicate your response to the following statements about your chosen smartphone purchase channel (online/instore) 1= Not likely at all 7= extremely likely

	1	2	3	4	5	6	7
Say positive things about choosing XYZ to other people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recommend XYZ to someone who seeks your advice on smartphone purchase	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encourage friends and relatives to purchase a smartphone using XYZ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Consider XYZ as your first choice to purchase a smartphone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do more smartphone purchases using XYZ in upcoming years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do less purchase using XYZ in upcoming years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Make your next smartphone purchase using an alternate channel if it offers a better price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Appendix C – Welcome screen of the survey



### GRIFFITH COLLEGE DUBLIN

Hello,

Thank you for your interest in this research. My name is Praveen Rajendran, a current student at Griffith College Dublin. This research is a part of my master's dissertation to find out how students in Ireland feel about purchasing a smartphone, either through an online store or at a physical store, during both the actual purchase moment and post-purchase phase.

In this survey, you will be asked questions under four sections which are, the quality of service provided to you by your service provider, your satisfaction with them, overall experience and channel loyalty. It will take **approximately ten minutes to complete** the survey. Your **participation in this study is completely voluntary**.

There are no foreseeable risks associated with this project. However, if you feel uncomfortable answering any questions, **you can withdraw from the survey at any point**. It is very important for us to learn your opinions.

Your survey responses will be strictly confidential and data from this research will be reported only in the aggregate. **Your information will be coded and will remain confidential**.

Please note that **you must be 18 years or older** to take part in the research in order to avoid any ethical issues.

By taking part in this research you are stating that you understand the following :

- I am participating in a research study
- I have been explained about the research I am about to participate in, and I know what is involved in my participation
- My participation in this research is voluntary and I am free to withdraw at any time without giving any reason
- My identity cannot be linked to my data and that all information I give remain anonymous
- I must be 18 years or older to participate in the research
- If I have queries with this research I can contact Praveen Rajendran at any time at +353 899812609 or by email at [praveen.rajendran@student.griffith.ie](mailto:praveen.rajendran@student.griffith.ie)

Please start with the survey now by clicking on the Continue button below.



## *Appendix D – Survey thank you page*

Thank you for taking the time to complete this survey. The information you have provided is truly valuable. If you have any queries regarding this survey or research contact Praveen Rajendran at any time by email at [praveen.rajendran@student.griffith.ie](mailto:praveen.rajendran@student.griffith.ie) or by phone at 0899812609.

If participants have concerns about this research and wish to contact an independent person, please contact:

Dr Garrett Ryan,

Griffith college research ethics committee

South circular road, Dublin 8, Ireland,

Mail : [garrett.ryan@griffith.ie](mailto:garrett.ryan@griffith.ie) ; Tel: 353 1 4163324



## Appendix E – Data analysis on SPSS

(The raw data is available with the author and can be produced if required)

Praveen Rajendran data analysis.sav [DataSet1] - IBM SPSS Statistics Data Editor

File Edit View Data Transform Analyze Graphs Utilities Extensions Window Help

Visible: 59 of 59 Variables

	F1	F2	F3	CAT1	SAT1	SAT2	SAT3	SAT4	SAT5	OVSAT
1	1	2	1	6	4	3	3	4	4	18
2	1	2	1	2	5	5	5	6	5	26
3	1	2	1	1	6	6	6	6	6	30
4	1	2	1	2	7	7	7	7	7	35
5	1	2	1	1	4	7	3	3	4	21
6	1	2	1	4	6	6	6	6	6	30
7	1	2	1	1	5	4	3	4	5	21
8	1	2	1	6	6	6	7	7	6	32
9	1	2	1	6	5	4	6	5	2	22
10	1	2	1	3	7	6	6	6	6	31
11	1	2	1	2	6	6	6	6	6	30
12	1	2	1	6	6	4	4	5	5	24
13	1	2	1	2	5	5	6	4	6	26
14	1	2	1	4	6	5	6	5	5	27
15	1	2	1	6	6	6	6	5	5	28
16	1	2	1	6	7	6	6	6	6	31
17	1	2	1	4	5	4	5	5	4	23
18	1	2	1	2	6	4	5	3	5	23
19	1	2	1	6	4	6	5	5	5	25
20	1	2	1	6	5	4	6	3	6	24
21	1	2	1	1	7	7	7	7	7	35

Data View Variable View

Go to variable IBM SPSS Statistics Processor is ready Unicode:ON

